Austria	Sch 20	Indonesia	Rp 2500	Philippines	Pes 20
Bahrain	Din 0.650	Israel	NS 3.50	Portugal	[illegible]
Belgium	BFr 45	Italy	L 1500	S. [illegible]	[illegible]
Canada	C$1.00	Japan	Y550	Singapore	S$ [illegible]
Cyprus	CE0.70	Jordan	Fils 500	Spain	Pta 125
Denmark	DKr 9.00	Kuwait	Fils 500	Sri Lanka	Rup 30
Egypt	E£1.00	Lebanon	£L 25.00	Sweden	SKr 7.00
Finland	FMk 5.50	Luxembourg	LFr 45	Switzerland	SFr 2.20
France	FFr 6.00	Malaysia	Rin 4.25	Taiwan	NT 65
Germany	DM 2.20	Mexico	Pes 300	Tunisia	Din 1.375
Greece	Dr 60	Morocco	Dh 6.00	Turkey	L 350
Hong Kong	HK$ 12	Netherlands	Fl 2.75	U.A.E.	Dh 6.50
India	Rup 15	Norway	NKr 7.00	U.S.A.	$1.00

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US oil giants set for new court clash, Page 15

World news — Business summary

Indians shoot 18 dead at frontier

Indian border guards have shot dead 18 Pakistanis suspected of trying to cross illegally into India.

The Press Trust of India said 16 of the border crossers were killed in four separate incidents along the Punjab border and two were killed as they attempted to enter Rajasthan.

India has often accused Pakistan of sending agents and saboteurs across remote border stretches fronting the two Indian states.

Sri Lankan attack

Four Sri Lankan soldiers were killed and three wounded on patrol when Tamil separatist fighters set off a bomb in their midset.

Peres message

US Vice President George Bush yesterday told Jordan's King Hussein that Israeli Prime Minister Shimon Peres hoped Jordan and the Palestinians would resolve their differences in order to hasten Israeli-Jordanian peace talks.

Dutch PM warning

Dutch Prime Minister Ruud Lubbers began his second term of office with a warning that his public spending austerity policies would continue in the face of falling world energy prices. Page 2

Boost for Manley

The opposition Jamaican People's National Party led by former Prime Minister Michael Manley yesterday polled an unofficial 56 per cent of the vote in early municipal elections results. Page 3

US judge criticised

US Senator Edward Kennedy yesterday criticised Supreme Court Chief Justice nominee William Rehnquist in Senate hearings, saying the judge was too extreme on issues of race, women's rights and freedom of speech.

Bonn offers DM 3m

West Germany offered a record reward of DM 3m ($1.4m) for information leading to the arrest of Red Army Faction terrorists who killed Siemens executive Karl Heinz Beckurts by blowing up his car on July 9.

Protestors dispersed

Paris police riot squads scattered more than 2,000 Renault workers who were protesting against company plans to cut 850 jobs at a nearby plant.

EEC nuclear plea

The European Commission called on EEC states to enforce present nuclear safety standards and threatened to take to court the eight countries which have not written EEC nuclear legislation into national law. Page 14

Mercenaries arrested

US intelligence analysts said that 13 American mercenaries arrested in New Orleans on Monday intended to join rebels in Surinam who are trying to overthrow the country's left wing government.

Missile holes ship

An unarmed missile fired from a US navy F-14 fighter aircraft knocked a hole in the hull of a commercial tanker that had entered a military practice zone off Norfolk, Virginia.

Five die in crash

Five people were killed yesterday when a twin-engined Cessna aircraft crashed into the sea between Denmark and Britain.

First Soviet video

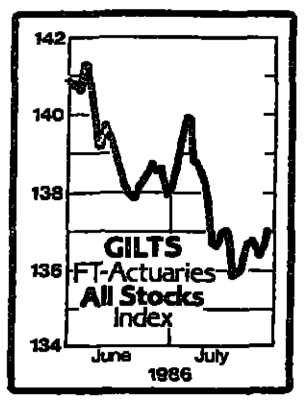
The Soviet Union has made its first video film, a production set aboard a Volga river paddle steamer, Tass newsagency reported.

CBR buys Genstar cement business

CBR, Belgian-based cement manufacturer which is 25 per cent owned by Société Générale de Belgique is paying C$452m (US$327.5m) for the North American cement and concrete business of Genstar Corporation. **Page 15**

WALL STREET: The Dow Jones industrial average closed 12.52 up at 1,779.39. **Page 36**

TOKYO: Bargain hunting pushed stocks higher and the Nikkei average improved 70.11 to 17,799.05. **Page 36**



LONDON: Equities improved and gilts turned higher. The FT Ordinary share index gained 8.7 to 1,280.3 while the FT-SE 100 added 9.9 to 1,566.3. **Page 36**

DOLLAR Closed in New York at DM 2.1125; SFr 1.6952; FFr 6.8510 and Y155.60. ItZ rose in London to DM 2.1135 (DM 2.1110); FFr 6.8525 (FFr 6.8400); SFr 1.6950 (SFr 1.6900), and Y156.00 (Y155.70). On Bank of England figures the dollar's index fell to 112.1 from 112.2. **Page 29**

STERLING Closed in New York at $1.4985. It rose in London to $1.4905 ($1.4885): DM 3.1500 (DM 3.1425); FFr 10.2150 (FFr 10.1800); SFr 2.5275 (SFr 2.5150), and Y232.50 (Y231.75). The pound's exchange rate index rose 0.2 to 72.3. **Page 29**

GOLD fell $0.50 to $352.00 on the London bullion market. It also fell in Zürich to $352.10 from $352.25. In New York the Comex August settlement was $352.00. **Page 28**

DENMARK'S stock market has been shaken by the prospects of financial problems for the local stockbroking community following a steep decline in Copenhagen's share and bond markets and the bourse authorities have now intervened. **Page 15**

PORTUGAL'S Government is studying a new approach to the problem of the country's cumbersome nationalised banking sector. **Page 15**

TEXTILES: The US threatened to pull out of negotiations unless all fibres were included in the proposed extension to the Multi-Fibre Arrangement, which expires tonight. **Page 6**

CINEPLEX ODEON of Toronto, one of North America's fastest growing entertainment groups, is making its largest US deal with the 100 per cent acquisition of RKO Century Warner Theatres for US$179m.

WINDSOR INDUSTRIAL, leading Hong Kong textile group, reported a 27 per cent slump in profits for the year ending March 31 – from HK$232m (US$29.7m) on a readjusted basis in 1984-85, to HK$169m in the year just ended.

COMMERZBANK, large West German commercial bank, sharply boosted half-year operating profit due mainly to record profits from trading on its own account in securities and foreign exchange. **Page 14**

SOGEFI, one of Mr Carlo de Benedetti's holding companies in the car components business, has agreed to acquire for an undisclosed sum Rejna, an Italian shock absorber manufacturer. **Page 15.**

MUNICH REINSURANCE held out the prospects of modestly higher profits and unchanged dividends for the year ended June 1986. **Page 15.**

Paris clears CGE deal as ITT lifts stake in new group

BY PAUL BETTS IN PARIS

THE FRENCH Government yesterday approved the landmark deal between France's state-owned Compagnie Générale d'Electricité (CGE) and ITT of the US, which will create the world's second largest telecommunications group after AT&T.

But the French Government asked ITT to increase its participation in the new French-controlled telecommunications venture to 37 per cent, instead of the 30 per cent planned when the deal was first announced at the beginning of this month, ITT confirmed last night.

Under the revised deal, ITT is now expected to receive about $1.5bn in cash instead of the $1.8bn it would have received if its stake in the new joint venture had been left at 30 per cent.

The French Government appeared to have been anxious both to secure a stronger commitment in the joint venture from ITT and to reduce the overall cost of the operation for CGE. The French authorities are keen to avoid CGE taking on too much debt at a time when the telecommunications and engineering group is preparing for privatisation.

As part of the deal, CGE has agreed to take on at least $800m of ITT debt, industry executives said last night.

The joint venture will be 63 per cent owned by a European holding company which in turn will be controlled by CGE. The French group is searching for other European partners to buy stakes in the new holding company. Société Générale de Belgique and Telefonica, the Spanish state telephones concern, have indicated they plan to acquire a 10 per cent stake each in the holding company at a cost of about US$300m each.

CGE indicated last night that negotiations were still taking place with other potential European partners.

Although ITT has had to increase its stake, the US group suggested that its long-term strategy is still to own 30 per cent as originally planned in the new venture. ITT says it will now have the flexibility to keep its stake at 37 per cent or eventually sell 7 per cent to other partners.

The joint venture will group ITT's worldwide telecommunications activities, valued at about $2.8bn, together with those of CGE's Alcatel telecommunications subsidiary, worth about $1.4bn.

Mr Alain Madelin, the French Industry Minister, said yesterday that the deal was the "biggest industrial agreement reached in France and undoubtedly in Europe in many years." He said the new joint venture would have annual sales of about $10bn, operations in 75 different countries in the world and employ about 150,000 people.

Mr Madelin also said yesterday that the Government considered CGE's proposed deal with AT&T a separate issue. However, some French industry observers suggested yesterday that both the AT&T and the ITT deals could have complementary benefits for CGE's telecommunications ambitions.

The industry minister added that discussions to find alternative European partners to AT&T for CGCT, the troubled French state telecommunications group indirectly linked to the AT&T-CGE deal, were still continuing. However, he acknowledged that the proposed AT&T deal was "good" for CGE.

The separate agreement between CGE and AT&T, still hinging on French Government approval, envisages collaboration in several telecommunications sectors including microwave systems and cables.

At the same time, AT&T is expected to help CGE to increase its presence in the US telephone switching systems market. In re-

Continued on Page 14

Japan's gold deals fail to cut US trade deficit

BY NANCY DUNNE IN WASHINGTON AND STEFAN WAGSTYL IN LONDON

EXTRAORDINARY gold sales to Japan totalling $2bn failed to prevent a further increase last month in the growing US trade deficit with the rest of the world.

The Japanese bullion purchases allowed the US Administration to put the best possible gloss on a set of figures bound to have disappointed President Ronald Reagan and his advisers. Mr Malcolm Baldrige, the Commerce Secretary, highlighted "a strong rise in exports" and said that the decline in the value of the dollar was beginning to have an effect.

However, without the gold, exports would have fallen by $1.2bn last month instead of rising by $800m from $18.27bn in May to an estimated $19.07bn.

Commerce Department officials declined to comment on the gold sales but it seems certain that they were related to the 220 tonnes of bullion Japan has been buying for the minting of a coin to mark the 60th anniversary of the reign of Emperor Hirohito.

Gold traders said last month that Japan had deliberately routed purchases made in London and elsewhere through the US to try to reduce its politically-embarrassing bilateral trade surplus with America.

The $2bn worth of gold in last month's figures is the equivalent of slightly less than 180 tonnes of bullion, or the bulk of the metal needed for the coin. Japan imported only 1.5 tonnes of gold from the US in the whole of last year.

As a result of the gold purchases exports to Japan rose from $1.73bn in May to an estimated $3.86bn last month, cutting the bilateral deficit to $3.7bn from $5bn. The US deficit with Western Europe rose to $3.8bn from $2.7bn in May.

The total US trade deficit rose slightly to an estimated $14.17bn, from a revised $13.12bn in May, taking the shortfall for the first half of 1986 to a record $79.54bn. An increase in oil imports accounted for $3.1bn of the June deficit.

The Administration had been hoping for a turnround to combat demands for protectionist legislation from Congress. Mr Baldrige blamed "overly cautious economic policies abroad" for the lack of progress, by implication accusing Japan and West Germany of not doing enough to boost growth.

There was a shortfall in agricultural trade for the second successive month. At $71m, the deficit was smaller than May's $348.7m.

George Graham in London adds: The dollar moved lower in response to the US trade figures before staging a modest recovery. It closed in London at DM 2.1135, a gain of ¼ pfennig from Tuesday's close, after failing to break through DM 2.105. Against the yen it picked up slightly to Y156.

Sterling, initially strong, fell back during the afternoon but still ended in London at $1.4905, up 0.2 cents. It maintained a gain of ¾ pfennig at DM 3.15.

Money markets, Page 29

Wendy's sells UK restaurants

BY LISA WOOD IN LONDON

WENDY'S International, the third largest fast-food group in the US, is to sell 16 restaurants in the UK to Whitbread, the British brewer and retailer, for £6.8m ($10m).

Although Wendy's will retain two franchised outlets in the UK, the move was viewed yesterday by US analysts as effectively a withdrawal from the British hamburger market.

Wendy's with some 3,400 outlets in the US and 50 in Europe, will now concentrate on the US market and countries such as West Germany where it identified faster growth opportunities than in Britain. The group, like other fast food giants in the US, faces little real growth which is effectively barring new competitors and leaving existing major chains to fight it out between themselves.

Wendy's shares were among the most active on the New York Stock Exchange yesterday. By the close of trading 1.4m shares had changed hands as the price fell $1½ to $11¾.

On Tuesday, Wendy's reported second-quarter sales of $701m, a 1 per cent rise on the same period in 1985, with profits up 9 per cent to $24.3m. For 1985 as a whole, Wendy's had net income of $76m on sales of $2.7bn.

Whitbread, which last year earned 33 per cent of its operating profits from retailing, including its managed public houses, intends to convert the sites, which are all in London, into its own restaurants.

These include Quick, a hamburger outlet, which Whitbread owns jointly with GB-Inno, the Belgian catering group, and Pizza Hut, jointly owned with PepsiCo, the restaurant chain's US parent.

Wendy's, which opened its first restaurant in the UK in 1980, said yesterday that it hoped in the long term to increase its business in the UK through franchise operations or in joint ventures.

In the UK, its 16 wholly-owned restaurants, operating in a highly competitive £400m burger market, have been dogged, like its competitors, by difficulties in obtaining good sites and local authorities hostile to the litter fast food outlets can create.

In seeking to expand rapidly in the UK, the company opened its own outlets. Individual restaurants in Europe are understood to be profitable but in total the European activities lose money.

Mr Danny Lynch, a Wendy's vice president, said yesterday: "The fast food industry in the US is flat at the moment and the decision to remove the wholly owned business in London was affected by this. We want to use the capital raised by the sale where we can get a fair return on the investment and we could not do this in London."

Despite the sluggish situation in the US, Wendy's believed that there was still potential for domestic growth, he said.

'Voluntary' output cuts agreed by seven Opec countries

By Richard Johns in Geneva

SEVEN MEMBERS of the Organisation of Petroleum Exporting Countries (Opec) have offered "voluntary" cuts in their July production rates amounting to 1.6m barrels a day as an interim measure to boost oil prices.

Efforts to increase the extent of commitment continued last night as Dr Subroto, the Indonesian chief delegate, tasked with canvassing members about their willingness to restrain output, and Mr Rilwanu Lukman, Nigeria's Oil Minister and current President of Opec, engaged in yet more consultations.

Delegates privately expressed doubts about the firmness of the commitments made and scepticism about the possibility of an orderly reduction in output being achieved.

The long-term aim remains agreement on a plausible quota system, Mr Lukman confirmed. But it was accepted that there was no chance of agreement on a fair distribution of actual demand for Opec crude and that the only means of alleviating the common predicament would be the dubious device of "voluntary" cutbacks.

This conference has been bedevilled by the reluctance of members to admit what their true rates of output have been. But there was consensus that the total for this month had been in excess of 20m b/d and probably 3m b/d above demand.

Members expressing willingness to bring down rates of output were understood to be Saudi Arabia (800,000 b/d), Kuwait (350,000 b/d), Nigeria (175,999 b/d), Indonesia (150,000 b/d), Venezuela (100,000 b/d), Ecuador (30,000 b/d) and Algeria (10,000 b/d).

However, prospects for an end to the damaging free-for-all, which has sent prices below $9 a barrel, are still clouded by the refusal of Iraq and the United Arab Emirates to modify their demands.

Dr Mana Said al Otaiba, UAE Petroleum Minister, said yesterday that the Federation would "never" accept anything less than a 1.5m b/d share of the Opec cake. Mr Qassim Taki, Iraqi Oil Minister, said his Government would participate in no scheme of production restraint. Baghdad's position remains that Iraq's entitlement should be equal to Iran's.

If Saudi Arabia were to reduce its production by 800,000 b/d, the actual cut would be larger if the figure vouched for by Sheikh Ahmed Zaki Yamani, the Kingdom's Oil Minister, were to be believed.

He has claimed that production ran at 5.4m b/d in July. The actual

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London faces pressure for SA sanctions

BY MICHAEL CASSELL AND ROBERT MAUTHNER IN LONDON

THE BRITISH Government is under mounting pressure to impose fresh economic sanctions against South Africa following the breakdown of the European Community's negotiations with Pretoria.

The Cabinet meets this morning to hear Sir Geoffrey Howe, the British Foreign Secretary, report back on his abortive visit to South Africa, and will prepare the ground for this weekend's potentially acrimonious and damaging Commonwealth summit in London.

Commonwealth leaders are now certain to insist that, with the UK Government's initiative in ruins, no further delays in the imposition of additional measures are acceptable, and that failure to agree on action will threaten the future of the Commonwealth.

On the eve of the crucial Cabinet session, the House of Commons Foreign Affairs Committee added to the mounting pressures on the Government by emphasising that time was running out for a peaceful solution to the South African crisis, and warning that the Commonwealth could be in jeopardy.

The report, completed before the outcome of Sir Geoffrey's mission was known, says that, if the Foreign Secretary returned empty-handed, pressure on the UK Government to join in the imposition of further negative measures would be intense.

The committee forecasts that, in the absence of a positive response from the South African Government, the UK is likely to be compelled to take further punitive action.

Sir Geoffrey, who flew back to London yesterday, briefed Mrs Margaret Thatcher, the British Prime Minister, yesterday on the visit.

After this morning's Cabinet meeting, Sir Geoffrey will see Mr Chester Crocker, the US Assistant Secretary of State for African Affairs, as part of an effort to co-ordinate the South African strategies of Britain, the EEC, the United States, other industrialised nations, and the Commonwealth.

Mr Crocker will also visit Brussels and Berne before returning to Washington to report to President Reagan.

While in London he is likely to meet Sir Shridath Ramphal, the Commonwealth secretary general.

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Seven people died when gunmen attacked a police station in Umtata, capital, of Transkei, the South African homeland. In another incident Piet Ntuli, Home Affairs Minister of the KwaNdebele homeland, died when a bomb exploded in his car. Page 4

The sanctions debate, Page 4; Editorial comment, Page 12

OAU tells members to act against UK

BY MARY ANNE FITZGERALD IN ADDIS ABABA

THE ORGANISATION of African Unity (OAU) ended its three day summit in Addis Ababa last night with a call for its 50 members to apply voluntary sanctions against Britain for its opposition to sanctions against South Africa.

A series of strongly worded resolutions condemned five Western nations – the US, Britain, France, West Germany and Israel – for their dealings with South Africa, but singled out Britain in particular.

"Vehemently" condemning what they called Britain's "relentless campaign against the imposition of comprehensive and mandatory sanctions" against Pretoria, the African leaders went on to call on "African, non-aligned and other freedom-loving countries from other regional groups to exert pressure on the British Government by taking concrete measures of their choosing, such as sports boycotts, economic measures and severance of diplomatic relations."

The call is likely to be reiterated at the conference of non-aligned states, due to take place in Harare next month.

Two of the leaders at the OAU meeting, President Kenneth Kaunda of Zambia and Mr Robert Mugabe, Zimbabwe's Prime Minister, will be putting the African case when they attend this weekend's mini-summit in London of seven Commonwealth leaders.

The militant stand and tough language adopted was in part the product of some vigourous lobbying by Nigeria. Commodore Ebitu Ukiwe, a senior member of Nigeria's military Government, left the threat of

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CONTENTS

Chirac suffers setback over press legislation

BY PAUL BETTS IN PARIS

FRANCE'S highest legal body, the Constitutional Council, has inflicted an embarrassing setback on Mr Jacques Chirac's government by ruling that part of the recent anti-trust press legislation is unconstitutional.

The Government rushed a bill through parliament to reverse anti-trust laws introduced by the previous Socialist administration. It considered them a blatant attempt to curb the growing newspaper and magazine empire of Mr Robert Hersant, the French right-wing press baron and owner of the virulently anti-left "Le Figaro" daily newspaper.

The new legislation establishes a ceiling of 30 per cent of national readership for any one press group. This protects Mr Hersant's empire which currently accounts for about 28 per cent. He and several contributors to and journalists in his group were elected to Parliament in March. Mr Hersant also has major television ambitions in France.

The Constitutional Council has now ruled that the new law does not provide adequate guarantees against the concentration of ownership of French national and provincial newspapers. It fails to prevent a newspaper group increasing its share of readership above the 30 per cent limit by acquiring new titles through a front company or an intermediary.

It has also rejected another article in the law which cancelled in full the former Socialist press law of 1984 and the original anti-trust decree of 1944.

The council's decision has deeply irritated the right-wing majority and is a particular setback for Mr Francois Leotard, the Culture and Communications Minister, who is currently struggling to push his broadcasting deregulation and privatisation legislation through Parliament.

The Government is now expected to drop the articles rejected by the Council and reformulate them in the autumn in a new bill acceptable to the council.

Industrial subsidies to be cut by 17%

BY OUR PARIS STAFF

THE FRENCH Government will reduce the overall level of subsidies and aids to industry by about 17 per cent, or some FFr 11bn, to FFr 53.5bn (£5.3bn) next year. Assistance for state and private industry this year amount to FFr 64.5bn, and if aids and subsidies to help industrial employment are added, the figure increases to FFr 86bn.

More than 2,000 angry workers from the French state-owned carmaker Renault clashed with police yesterday during a protest over plans to cut some 850 jobs at its Paris suburban plant, Reuter reports.

Riot squads scattered the protestors with teargas grenades when they hurled stones at police outside government offices in the southern suburb of Boulogne Billancourt, where Renault has its main production lines.

The company last year introduced a recovery plan which included a more than 20 per cent cut in the group's then 98,000-strong work force by the end of this year.

Next year's reduction will be compensated in part by a cut of about FFr 10bn in fiscal and financial charges for industry. These fiscal measures will be included in the government's 1987 budgetary income and corporate tax cuts.

The Government also intends to increase support to small and medium-sized companies by encouraging a reduction in interest rates on bank loans for the sector.

Mr Alain Madelin, the Industry Minister, says the Government is launching a significant redeployment of industrial aid policies, reducing the existing mechanism of subsidies with a more market-orientated system. A first move in this direction was announced by the Cabinet yesterday when it approved the abolition of the Fond Industriel de Modernisation (FIM) set up by the former Socialist administration to advance soft loans for specific industrial projects.

The FIM will be abolished from the beginning of August and the FFr 7bn funds it distributed each year will be channelled through the banking system to small and medium-sized industry. This will reduce interest rates to 8.25 per cent from 8.75 per cent, the Industry Ministry said yesterday.

The decision to abolish the FIM, which granted large credits to the car industry among other sectors, is expected to be welcomed by the European Commission. Brussels had questioned FIM loans as breaching EEC rules on industrial subsidies.

The Government will also reduce by about 10 per cent to FFr 25.4bn next year the capital grants it makes available to nationalised industries.

Defence budget to rise 5%

BY OUR PARIS STAFF

FRANCE'S defence budget will increase by 5 per cent in real terms and by 7.1 per cent in current franc terms to FFr 169.5bn (£16.7bn) next year accounting for about 3.8 per cent of gross domestic product, government officials said yesterday.

This is slightly lower than the target of 4 per cent of gross domestic product envisaged in the right-wing parties' election platform before their victory in the parliamentary elections.

However, the 1987 defence budget will see, for the first time in 20 years, more money allocated for investments and the development and production of conventional and nuclear arms than for operating costs. Funds for arms development, production and investments are likely to total FFr 86.2bn next year. This would be a 12 per cent rise in real terms over this year and an increase of about 14 per cent in current franc terms.

The operating budget of the Defence Ministry is expected to decline in real terms by about 1 per cent next year.

Arabs held on 'terror link' charges

ELEVEN Arabs are being held in Italy, West Germany and Britain on charges of belonging to a guerrilla organisation after an Italian magistrate issued warrants for their arrest, Reuter reports from Genoa.

The daily La Republica said that seven of the men were being held in Italy, three in West Germany and one in Britain. A further nine Arabs are being sought on similar charges, the newspaper said.

The arrests, on warrants issued by Mr Luigi Carli, a Genoa magistrate, were also reported by Italy's AGI news agency.

Republica quoted Mr Carli as saying: "All I can say is that we are up against a new organisation with links with international terrorism."

It named one of the men being held in Genoa as Adnan Roussan, a Jordanian businessman who ran a trading company in Verona, northern Italy. Police in West Berlin were holding a man called Ahmad Narwaf Mansour Hasi, it said.

Police in London had arrested a man believed to be the head of the guerrilla organisation, Republica said, but did not name him.

Awni Hindawi, a Jordanian arrested in Genoa last month, is related to two alleged guerrillas held after the bombing of a Berlin discotheque and a failed attempt to bomb an Israeli airliner.

His cousin, Nezar Hindawi, is being held in London where he is alleged to have given his pregnant Irish girlfriend a bomb to carry on to an El Al airliner in April.

Greeks boost trade with Eastern bloc

By Andriana Ierodiaconou in Athens

GREECE'S trade with Eastern bloc countries, which showed a significant increase last year, has continued to rise in 1986, according to Bank of Greece figures.

In the first three months of this year, the overall volume of trade increased by 4.8 per cent, to \$252.8m from \$241.3m last year.

Greek exports, however, remained stagnant, partly reflecting the drop in oil revenues in the Soviet Union.

In 1985, the overall trade volume went up by 3.47 per cent compared with the previous year. Recent trade balance with the Eastern bloc countries showed an improvement thanks to a 21.4 per cent increase in Greek exports and a 3.5 per cent decrease in imports.

The East bloc countries including the USSR absorb about 10 per cent of Greece's overall exports.

Polish police hold printers

POLISH POLICE have broken up a gang of printers who made a small fortune by producing pirate copies of official Communist Party newspapers on stolen paper in a state-owned printing shop, Reuter reports from Warsaw.

Seven people were arrested and about 100 others charged with stealing paper and distributing illegally printed daily newspapers and magazines through the party's own network of kiosks in the southern region of Silesia.

A Polish television report said the gang earned at least 54m zlotys (\$340,000) over 17 months by printing about 2m copies of a weekly magazine, Panorama, as well as other newspapers, including Poland's biggest daily Trybuna Robotnicza.

France and Spain discuss terrorism

BY TOM BURNS IN MADRID

FRENCH Foreign Minister Mr Jean-Bernard Raimond held talks in Madrid yesterday with Mr Francisco Fernandez Ordonez, his Spanish counterpart, against a background of strongly improved relations between the two neighbouring governments as a result of recent decisive French action against suspected ETA terrorists.

In just over a week, the French authorities have taken the unprecendented step of expelling three Spanish Basques from south-west France to the Spanish border and to waiting Spanish policemen.

The crackdown has been viewed as signalling the end of the so-called "safe haven" area of the towns of Hendaye, St Jean-de-Luz and Biarritz which were traditionally used by the Basque separatist movement as a rearguard zone where they could plan their terrorist strikes in Spain.

Mr Raimond, whose four-hour visit to Madrid yesterday was the first since he was appointed Foreign Minister following the centre-right's electoral victory in France last March, arrived in the Spanish capital amid strict security measures.

Aside from cross-border terrorism, the agenda of the meeting included discussion on impending visits to Madrid by President François Mitterrand and by Mr Jacques Chirac, France's Prime Minister, as well as on an inter-ministerial summit involving members of both governments which is scheduled to be held in Madrid in November.

Next week, Mr Charles Pasqua, France's Interior Minister, is due to visit Spain for talks with Mr Jose Barrionuevo, his Spanish opposite number, that will review details of the progress on anti-terrorist co-operation.

Meanwhile, extremist Basque nationalists announced yesterday that they would step up protests against the French drive on the 800-strong Spanish Basque refugee community in south-west France.

ETA, for its part, admitted responsibility for a weekend bomb attack in the Basque country which killed two members of the civil guard corps and pledged that it would continue its campaign.

● At least 30 Spaniards employed by the Pepsi-Cola company near Madrid were injured yesterday in a clash with police, according to union sources, Reuter reports from Madrid.

The police fired rubber bullets and tear gas at 200 workers who set fire to two company delivery trucks and erected barricades on a nearby road, the union sources said.

Police said there were injuries in the clash but did not immediately say how many workers had been hurt. There were no reports of arrests. The workers have been engaged in a prolonged labour dispute with the company.

Mr Raimond: first visit to Spanish capital

Lubbers promises tough economic policies

BY LAURA RAUN IN AMSTERDAM

MR RUUD LUBBERS, the Dutch Prime Minister, yesterday unveiled his centre-right government's policy programme for the next four years, placing emphasis on the reduction of both the budget deficit and high unemployment.

In a 90-minute address to Parliament, Mr Lubbers sketched the broad goals of his second Christian Democrat-Liberal administration, which took office on July 14. Fiscal austerity, less government and more jobs, central themes of the previous four years, will continue. His sober policies gained a fresh mandate in last May's general election when the coalition partners maintained their majority.

"Continuity and renewal—that is what this Cabinet wants—but that isn't all," Mr Lubbers said. "We will fight unemployment further. But that means strict discipline and determination to make our economy healthier through renewal so that citizens and businesses are less dependent on welfare benefits and subsidies."

The speech contained some of the most direct attacks on paternalism in Dutch society heard from the Christian Democratic Prime Minister. "Everyone must be willing to accept a job that isn't always his first choice," he said. "In an emancipated, growth-oriented society, a public sector that absorbs two-thirds of all national income can't be tolerated."

Balancing the budget is the most urgent problem for the new Government, which will present the 1987 fiscal plan officially on September 16. Mr Lubbers confirmed that the natural gas revenues, which account for 16 per cent of all revenues, would plunge by more than half to Fl 10.3bn (£2.9bn) next year due to falling oil prices and the lower dollar. Spending cuts and tax increases would keep the budget deficit from widening beyond 8 per cent of net national income next year, curbing it to 5½ per cent by 1990.

Stubbornly high unemployment, which has hardly been below 15 per cent in recent years, would be attacked through a two-pronged plan involving both the private and public sectors. Private sector jobs were to be created through economic growth, he said, while the government would provide new subsidies for hiring the jobless and guaranteed work for unemployed young people.

Mr Wim Kok, the new leader of the Opposition Labour Party, responded in his maiden speech to Parliament with a mild critique advocating more government investment to stimulate economic growth. But he stopped short of abandoning Labour's opposition to deployment of cruise missiles in the Netherlands.

Belgium orders inquiry into computer deal

A BELGIAN minister has ordered a legal inquiry into the arrival at Brussels airport of a consignment of computer terminals believed to have been destined for the Soviet Union, Reuter reports.

Economics Ministry spokesman said yesterday that a magistrate would investigate the possible involvement of a Belgian company in forwarding the US-made equipment to the Eastern bloc. In the meantime, the terminals will stay at the airport.

Diplomats described as broadly accurate local newspaper accounts saying the consignment was one of three originating from a US scientific instrument company that were believed to have been on their way to the Soviet Union.

All three contained equipment whose export to Eastern bloc countries is banned by the CoCom agreement between Western countries on trade in sensitive equipment.

The accounts said one cargo had already left Austria for the Soviet Union and a second was being held at Vienna airport, and that the US Government was appealing for the return of the equipment still in the West.

Yugoslav petrol

Petrol is selling in Yugoslavia at prices below those in most other European countries but foreign tourists are not getting any of it free, contrary to an agency report to that effect, writes Aleksander Lebl in Belgrade. Earlir this monh prol grade. Earlier this month petrol prices were increased by 20 per cent, from 162 dinars to 195 dinars for a litre of super (£1.22 to £1.49 per gallon). Foreigners coming by car or yacht to Yugoslavia may buy petrol coupons at 5 per cent discount.

Lead-free petrol is being sold at some 60 stations on roads most frequently used by foreign tourists.

Doubts cast on East Germany's targets for exports and energy

BY LESLIE COLITT IN BERLIN

EAST GERMANY'S targets for exports and energy over the five years to 1990 may already have been overtaken by the sharp fall in world oil prices, according to an analysis by the German Institute of Economic Research (DIW) in West Berlin. The country earned 30 per cent of its hard currency in 1984 from exporting crude oil and oil products to the West. At today's oil prices, says the DIW, this represents a shortfall of 20 per cent in hard currency earnings.

Along with other East European countries, East Germany took advantage of high world oil prices in recent years to re-sell imported Soviet oil it did not need as well as OPEC oil obtained in barter deals.

The new East German five year plan speaks only of achieving a "significant export surplus" in trade with the West. The DIW says that in the short term this can only be attained by reducing the already low level of imports from the West or by exporting more non-oil products. This, in turn, would place a burden on East German production, consumption and investment.

The DIW suggests that the alternative for East Germany would be to abandon the goal of achieving a hard currency export surplus. Balanced trade with the West or even a deficit would be no problem for the country which has halved its debts to the West in the past five years.

East Germany's plans to expand lignite coal production to 330m tonnes annually and to produce synthetic gas and petrol from lignite may have been out of date when the five year plan was published last April, the institute adds, because of falling world oil prices.

Consumers should derive more benefit under the new five-year plan, it comments, and a highly restrictive ban on investments in the last plan has been somewhat relaxed. Investments are to be concentrated on micro-electronics, computer-aided design and manufacturing, automation technology and bio-technology.

According to the DIW report, East Germany now has 4,500 industrial robots — half as many as West Germany — and is likely to achieve its goal of tripling this number by 1990. However, it explains, this has not guaranteed their full effectiveness which was often impeded by erratic flows of materials and components.

Salt talks fail to make progress

THE US said yesterday that the Soviet Union had rebuffed a call for "mutual restraint" in nuclear arsenals during a nine-day review of the superpowers' troubled 1979 Salt 2 pact limiting long-range missiles, Reuter reports from Geneva.

The assertion appeared in a statement by the US delegation at the end of a special session of the Standing Consultative Commission which reviews adherence to strategic arms accords.

The Soviet Union called for the meeting after President Reagan said on May 27 he would no longer be bound by Salt 2 limits when making nuclear policy decisions unless the Kremlin took radical steps towards arms control. The Reagan Administration has repeatedly accused Moscow of violating the Salt 2 agreement.

"The Soviet Union rejected President Reagan's May 27 1986 call for the Soviet Union to join the US in establishing an interim framework of truly mutual restraint pending conclusion of a verifiable agreement on deep and equitable reductions in offensive nuclear arms," the US statement said.

The US delegation, headed by General Richard Ellis, told the Soviet side that President Reagan's offer remained open, the US statement said.

A report by Tass, the Soviet news agency, said Moscow had warned the US that refusal to observe Salt limits would have extremely dangerous consequences.

The Soviet delegation, led by General Vladimir Medvedev, called for "effective measures that would make it possible to halt the process of destruction of the contractual system to contain the nuclear weapons race," Tass said.

The US statement gave no further details of the substance of the talks, but said the delegations agreed to hold a routine session of the Commission in Geneva in the autumn as usual.

The Commission, set up by the superpowers in 1972, meets twice yearly, and conducts its business in strict secrecy.

The US never ratified the Salt 2 treaty, but has kept within the limits it imposed on nuclear arsenals, although indicating it may exceed these later this year.

The US call for an "interim framework of truly mutual restraint" echoed earlier White House statements urging that both sides look to the future and not to the past and build a new structure of arms control.

Italy chalks up zero inflation

By Alan Friedman in Rome

ITALY recorded a zero inflation rate in July, the first for 17 years. This also means that the annual rate has fallen to 5.9 per cent, the first time in many years it has been below 6 per cent.

The Italian economy, which has been growing steadily for the past three years, has been helped greatly this year by the fall in oil prices and the weakness of the US dollar against the lira. Italy relies on imports for 70 per cent of its energy requirements, compared with an average of 40 per cent from the rest of Europe.

Its balance of payments, particularly in the current account, has also improved dramatically this year.

The Organisation for Economic Co-operation and Development in its annual report on Italy this week, forecast a consumer inflation rate of 5.5 per cent this year and 3.5 per cent next.

Mr Bettino Craxi, the Socialist leader who this week received the go-ahead from leaders of the five parties of his former coalition to proceed with the formation of a new government, yesterday held a series of talks with party leaders. These were to discuss a minor cabinet reshuffle which will be part of the package to end Italy's five-week-long government crisis.

Mr Craxi is expected to tell President Francesco Cossiga today or tomorrow that he hopes to present the new government to Parliament early next week.

Danish trade surplus of £34m for June

Denmark enjoyed its first trade surplus for 10 months in June, recording a figure of DKr 410m (£34m), but for the first half-year the trade deficit was up from DKr 5.9bn for the same period last year to DKr 6.8bn, writes Hilary Barnes in Copenhagen. Exports in June reached DKr 15.5bn and imports DKr 15.1bn, taking exports for the first six months to DKr 88.1bn and imports to DKr 94.9bn.

Austrian lawyer tries to halt nuclear plant

An Austrian lawyer has started proceedings in two courts to try to stop the building of West Germany's disputed Wackersdorf nuclear plant, Reuter reports from Vienna. Mr Heinrich Wille said the basis of the cases was that emissions from the reprocessing plant in Bavaria would pollute Autrian land.

Austrian anti-nuclear protesters have joined West German campaigners demonstrating against the Wackersdorf plant, particularly since the Chernobyl accident in the Soviet Union in April.

Yugoslavs opposed to N-power stations

A poll of Yugoslavs showed that 71 per cent of them oppose the building of nuclear power plants in Yugoslavia or anywhere else, Reuter reports from Belgrade. The poll, carried by the official Tanjag news agency, said just over half supported the growing public anti-nuclear protest in Yugoslavia but that 28 per cent felt that public protest was not the only way to stop construction of plants.

Anti-nuclear feeling in Yugoslavia soared after the Chernobyl nuclear plant accident in April. Plans to build Yugoslavia's second nuclear plant at Prevlaka stalled when workers voted to hold back funds for feasibility studies.

Andriana Ierodiaconou describes the obstacles to any reform of Greece's perplexing shopping hours

Greeks wake up to retailers' pressure on the siesta tradition

ONE OF the idiosyncrasies of Athenian life is that on Tuesdays, Thursdays and Fridays, summer or winter, the city experiences not just two rush hours, but four—one in the early morning, one at midday, a third in the late afternoon and a fourth around 8 p.m.

The four traffic peaks are caused by Greek shop hours which, in spite of entry into the EEC and the general westernisation of the country's lifestyle, are still mostly designed to reserve the time-honoured Mediterranean practice of the siesta.

The pattern of interrupted shop hours to allow for the afternoon siesta break, traditionally a relaxed and substantial lunch, has been in force in Greece "as long as anyone can remember," according to the Athens Chamber of Commerce and Industry.

During the latter part of the 1967-74 military dictatorship, Monday and Wednesday evening shopping hours were scrapped, making for the present system in which shops are open half days only on Mondays, Wednesdays and Saturdays, and mornings and evenings with an afternoon interruption on Tuesdays, Thursdays and Fridays, to make a total of 45 opening hours per week.

To complicate matters further, within this general timetable district authorities set slightly varying opening hour schedules for different categories of shops. The hours also vary seasonally, to yield a summer and winter schedule.

Thus, if it is a summer Monday or Wednesday and an Athenian housewife wants to buy bread from her local bakery, the purchase must be made between 7 am and 3 pm. If it is Tuesday, Thursday or Friday, the hours are 7 am and 2.30 pm and again 5.30 to 9 pm.

Should she want to pick up her watch after repair at the jeweller's, however, she has to remember that the opening hours are 7 am to 2.45 pm on Mondays and Wednesday, or 7 am to 1.30 pm and 5.30 pm to 8.30 pm on Tuesday, Thursday or Friday.

Since the mid-1970s, successive administrations — including the socialist one which came to power in 1981 — have tried to tackle the shop hours issue with the aim of streamlining the system and eliminating the counter-productive siesta break. They have all backed off, realising that the move would carry a heavy political cost. An eight to five system introduced in 1977 under a conservative administration lasted all of 70 days.

A small supermarket in Greece—but customers have to consult the calendar before deciding what time they will find it open

The issue has resurfaced in recent months, as Greece's current economic crisis has led to soul-searching on ways to boost productivity and make the domestic market more efficient.

Mr George Meimarides, president of the Greek Retail Merchants Association (Selpe), which represents the large shops, attributes the lack of progress in reforming hours to the fact that it is a "thorny political issue" and blames resistance to the reforms on "the erosion in the work ethic in Greece."

He says, however, that the Government realises it has every reason to introduce a "unified" shop hours system — that is, without the siesta break — which should also not be pegged to the length of the working week.

Selpe, which along with the Greek Supermarkets Association (Sesme) is leading efforts for change, has proposed a 60-hour or 58-hour shopping week, with shops open continuously from the morning to the late evening five days a week, and a half-day on Saturdays.

Mr Meimarides says this would improve service to consumers, including tourists, decongest traffic, do much to reduce the largely exhaust-fume-generated pollution cloud which bedevils Athens and, not least, create in the first instance 10,000 to 15,000 jobs, assuming a constant 40-hour working week.

However, small and medium-sized shops are unsympathetic to the notion of doing away with the siesta break and extending shopping hours. They are in the overwhelming majority in Greece.

Mr Panos Iliopoulos, president of the Athens Trade Association, which represents the small shops, stresses that he and his colleagues are "willing to discus anything the government invites us to." He is forthright, however, about favouring the present system.

"Let's face it. The government tried keeping shops open in the afternoon in the 1970s, and there wasn't even a mosquito stirring in the market. The siesta hours are dead hours commercially in Greece," Mr Iliopoulos says.

Stretching the shopping schedule, would also, according to Mr Iliopoulos, place an undue strain on the small shopkeeper, who make a practice of standing behind their own counters or cash registers as long as their shops are open.

The most militant opposition to the government's tentative plans for change comes from the trade Employees Union, which speaks for workers in the commercial sector, very much in the language of the Communist opposition.

According to Mr Christos Triantafyllopoulos, the union's president, these plans are the result of "pressure from the big EEC monopolies, whose aim is to penetrate the Greek market and deal a blow to local small and medium-size enterprises."

The union dismisses the argument that extending the shopping week and introducing a "unified" schedule would create more jobs, arguing that the number of smaller shops that would be forced into closure by the change would mean the loss of a far greater number of existing jobs.

The union is equally unmoved by the traffic and pollution arguments, saying the government should seek solutions to those problems elsewhere, by constructing an underground railway system in Athens for example.

Far from agreeing with any extension of shop hours, the union has proposed shortening the working week by one additional evening opening period. Workers would use the extra time "for cultural, leisure, and —why not?—political activities."

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Brazil and Argentina seek trade pact support

By Tim Coone in Buenos Aires

URUGUAY has been invited to join a Latin American common market, the first steps towards which were made on Tuesday evening with the signing of an economic integration pact between Brazil and Argentina.

President Julio Sanguinetti of Uruguay joined President Jose Sarney of Brazil and President Raul Alfonsin of Argentina, *in their discussions* over the pact during which he declared "determined support for these initiatives which are of fundamental importance for the future of the region and the process of integration of Latin America."

The three agreed to formalise a series of meetings between their respective Foreign and Economic Ministries to bring about Uruguay's inclusion into the integration process during the next 90 days.

A total of 12 protocols were signed by Presidents Alfonsin and Sarney which establish a customs union with zero import duties on bilateral trade in capital goods, create financial mechanisms for adjusting trade imbalances between the two and establish an investment fund for the promotion of binational companies. One protocol was also devoted to increasing co-operation in the aerospace industries of the two countries with special emphasis on breaking into the world market.

Speaking in a press conference yesterday morning, President Sarney said that no countries on the continent would be excluded from the process if they wished to join. "Our hopes are to eventually create a Latin American common market."

He said that foreign companies would not be at a disadvantage under the new accords and would continue to operate under the existing rules regulating foreign investment in Brazil and Argentina. He emphasised, however, that a greater role would also be played by Argentinian and Brazilian businesses through the creation of new joint ventures.

In Venezuela, President Jaime Lusinchi welcomed the signing of the accords between Brazil and Argentina, and said that Venezuela was prepared to form part of a future common market.

The subject of economic integration will also be a top priority on President Alfonsin's agenda when he meets with other Latin American leaders during his visit to Mexico and Colombia which is programmed for the first week in August.

Havana makes some payments

CUBA IS continuing to make some payments on its short-term commercial debt although others are up to three weeks overdue, Reuter reports from Havana.

Cuba stopped paying principal and interest on its medium and long-term financial debt on July 1, pending the negotiation of a major refinancing package with Western creditors, but it has not formally suspended commercial debt payments.

Cuban officials told the country's creditors that delays in payments were caused by administrative problems rather than by a deliberate policy of suspending payments.

Some overdue payments are understood to have been made, while others remained outstanding and new overdue debts continued to appear. This was unusual as Cuba had always been very punctual with its payments.

Cuba has already rescheduled its $3.5bn *foreign* debt three times since 1982, when the country first encountered difficulties with its foreign payments.

Sarita Kendall weighs the achievements of Colombia's President Belisario Betancur

Turmoil continues as ex-guerrillas enter Parliament

MR BELISARIO BETANCUR began his presidential term in 1982 with an impassioned plea to stop the bloodshed in Colombia. After four years of amnesties, peace programmes and truces he will be handing over on August 7 a nation still troubled by guerrilla combat, political murders and everyday violence.

Mr Betancur will be succeeded by Mr Virgilio Barco of the Liberal Party, who won the presidential election in May.

But as the president opens Congress for the last time, he will have the satisfaction of seeing former guerrilla commanders take their seats alongside other parliamentarians.

In showing that rebel leaders from the hills can be drawn into the democratic process the Betancur government has achieved at least one important goal.

There is little left of the Messianic sense of purpose aroused by the president in 1982. Yet the long talks leading to ceasefire agreements with several guerrilla movements, and even the very failure of some of the agreements, have produced results.

The *government* worked so hard to woo the left-wing guerrillas, and offered such generous terms that those who went back to fighting—including the M-19 group — forfeited public sympathy.

Mr Jaime Castro, the Minister of the Interior, who was nearly killed in an M-19 ambush in June, says the government's peace policies avoided a civil war.

When President Betancur assumed power, the guerrilla movement enjoyed both military and political strength. Now M-19 has lost prestige, its main leaders are dead, and there is relatively little outcry against the army's anti-guerrilla operations.

Officials estimate the number of guerrillas at about 5,000, but this includes many teenage *recruits with no combat experience.*

Colombia's biggest guerrilla movement, the Revolutionary Armed Forces of Colombia (FARC), has probably won a better public image in two years of democratic politics than in 25 years of combat. Having signed the ceasefire and joined the Communist Party in forming the Patriotic Union, the FARC now has a role in Congress.

In elections earlier this year, the Patriotic Union took six seats in the Chamber of Representatives and three in the Senate. Two more fronts of the National Liberation Army *(ELN) have also recently made* agreements with the peace commission.

The ceasefire between the army and the FARC is often violated, and groups claiming to belong to the FARC continue kidnapping and extortion. But now there are channels for discussing these problems, so that they can sometimes be resolved without payment of a ransom.

Mr Virgilio Baraco (left)—facing problem of continuing guerrilla violence. Mr Belisario Betancur—brought guerrilla leaders into democratic process.

The assassination of several Patriotic Union leaders, including elected councillors, is a far greater threat to the peace process. So are recent army manoeuvres in FARC areas, and doubts about the long-term commitment of the Liberal and Conservative Parties to the agreement.

The last year has been studded with violent death — 25 people were killed during the M-19 takeover of the Palace of Justice in Bogota in December; several hundred police, soldiers and guerrillas have died in combat; mass graves in Cauca have yielded more than 160 bodies, the result of executions by the Ricardo Franco guerrilla movement; 19 people (many of them known criminals) were murdered in the city of Cali, apparently by death squads, one night in early June.

Human rights groups and the Attorney General's office have investigated disappearances, torture and paramilitary operations. But perhaps one of the Betancur government's achievements is the fact that many of these cases are discussed openly and investigated by official bodies.

The drama of the guerrilla problem has overshadowed other issues. On the international front, the Contadora initiative for peace in Central America is foundering. However, Mr Betancur has taken Colombia into the non-aligned movement and played an important part in regional debt talks.

At home, efforts to fight drug trafficking have had some success. Colombia's marijuana production is a fraction of its former level, and cocaine laboratories are destroyed regularly.

However, the sheer size of the cocaine business and the power of the drug laws make total eradication seem a pipe dream.

To the surprise of its economic critics, the government has been efficient in putting the country's trade and debt payments in order and reducing the budget deficit over the last 18 months.

With a little help from higher *coffee prices, the current* account will be in the black at the end of 1986, and international reserves are rising steadily. Economic growth is expected to top 4 per cent, with inflation under 24 per cent.

Two of Colombia's biggest ever projects—the development of the coal complex at El Cerrejon, and oilfields in the eastern Llanos plains—are already in production, on schedule.

Yet there has been hardly any progress in some areas crucial to the peace process. Unemployment at 15 per cent is higher than ever. Regional public works have lagged because of funding problems. Many social and political reforms seen as an integral part of the peace programme have not materialised, apart from an agreement to allow the election of mayors.

The two-party system that symbolises stability for some and inflexibility for others shows little sign of responding to pressures for reform.

On August 7, when Mr Barco takes over the presidency, Mr Betancur will join Colombia's exclusive club of former presidents. These elder statesmen, who personify the establishment, play a powerful part in politics, mediating, pontificating and often being consulted by the president.

But it seems unlikely that Mr Betancur will be content to sit back and enjoy club membership—*in contrast with the other* ex-presidents, he has never been a party boss. Already, there is talk of a new political movement (perhaps a much needed rejuvenation of the Conservative Party) and the 1990 elections.

Bolivia needs $100m loan to fight drug rings

BOLIVIA'S AMBASSADOR told the US Congress yesterday that his country needed a $100m loan from the US in *its fight against cocaine traffickers,* AP reports from Washington.

The current coordinated US-Bolivian raids against drug rings will cost Bolivia hundreds of millions of dollars in foreign currency and the loan is needed to help pay the difference, Mr Fernando Illanes said.

"We need the money as a bridge until we can get financing from the World Bank and the International Monetary Fund" to make up for the money that will be lost.

During the past three weeks, 170 US troops have been in the Bolivian jungle highlands in support of raids by Bolivian police and troops against cocaine manufacturers.

"My Government considers this operation a great success," he added, even though only two of the dozen raids have been successful."

"To judge success by the amount of drugs seized is missing the point. The raids have "sent a loud and clear message to the international community of drug traffickers" that Bolivia is serious about rooting out the cocaine trade.

US and Israel sign radio deal

By Andrew Whitley in Jerusalem

THE US and Israel yesterday signed an umbrella agreement covering the construction and operation of a $350m (£235m) radio relay station in Israel. The facility, to be run by the US Government's Voice of America, is expected to be one of the most powerful in the world.

The agreement, laying down general guidelines, has aroused *much controversy*

Aimed directly at the Soviet Union, the relay station with its 16 50 kw transmitters will broadcast programmes made by the VOA and its sister operations Radio Free Europe and Radio Liberty. It will also carry external broadcasts by the state-run Voice of Israel radio.

Manley presses for early election

By Canute James in Kingston

MR MICHAEL MANLEY, the leader of Jamaica's opposition People's National Party (PNP) yesterday pressed for an early general election following his party's victory in Tuesday's local government elections.

According to preliminary returns, Mr Manley's social democrat PNP gained control of 10 parish councils while the ruling Jamaica Labour Party (JLP) of Mr Edward Seaga, the Prime Minister, retained three. The PNP's share of the vote was 57 per cent.

This is the first test of electoral opinion in the six years since Mr Manley lost to Mr Seaga in a bitter and violent general election campaign. Mr Manley's PNP did not contest the 1983 general elections to protest what he said was the lack of electoral reforms. As a result Mr Seaga's JLP took all 60 seats in the House of Representatives.

Although Mr Seaga has persistently *rejected* any suggestion that these elections were a referendum on the Labour Party's economic policies since it was elected in October 1980, the campaign was fought on national not local issues.

California poised for faster growth than rest of US

BY LOUISE KEHOE IN SAN FRANCISCO

CALIFORNIA'S economic growth wil far outpace that of the US as a whole by the year 2000, according to a report published yesterday by Wells Fargo bank.

The state's high tech industries and expanding international trade will fuel this growth, Mr Joseph Wahed, Wells Fargo's chief economist said, and make California the world's fifth largest economy, surpassing France and topped only by US, the Soviet Union, Japan and West Germany.

Projecting a glittering future for the golden state, he said that by the end of the century output of goods and services will reach $820bn (£555bn) measured in 1985 dollars, up 70 per cent from last year when it was sixth in the world.

Its population will exceed 33m by 2000, an increase of 7m. Californians will be far more affluent, according to the report, will average family incomes rising to $72,000 a year, assuming a moderate inflation rate of 4 per cent.

Strong economic growth will create 6m additional jobs and help to push unemployment well below 6 per cent, from its current 7 per cent level, the economists say.

Services and information-based businesses, including retailing, will continue to be the fastest growing sector of the economy. By the end of the century approximately 74 per cent of the state's workforce will provide some type of service, compared with 70 per cent in 1985 and 57 per cent in 1970. Manufacturing, however, will remain important to the state's economy.

Foreign trade will account for 25 per cent of state business activity, up from 17 per cent today.

Despite California's many advantages, the state faces some serious challenges to economic growth. It will, for example, cost an estimated $78bn to make badly needed improvements to California's public services including transportation and education over the next decade. The state's present sources of revenue will leave it $51bn short of funds for these improvements, the economists warn.

SOUTH AFRICA: THE SANCTIONS DEBATE

REPORT BY THE COMMONS FOREIGN AFFAIRS COMMITTEE

UK 'may feel compelled to impose sanctions'

BY MICHAEL HOLMAN

UNLESS the South African government releases political prisoners and begins constitutional talks, Britain is likely to feel "compelled" to introduce new sanctions against Pretoria, an all-party Commons foreign affairs committee warned yesterday.

Pretoria should be offered the chance to agree to negotiations with black political leaders, says the committee, in return for "substantial" financial and technical support from western countries directed mainly to the black community and designed to stimulate the economy and help resolve the consequences of apartheid.

But the offer should only be pursued, says the committee, "if the South African government is prepared to accept the inevitability of rapid progress towards majority rule."

The committee's report assesses two approaches to South Africa: the "carrot" of positive measures such as assistance with black housing and education as part of a western-backed "Marshall Plan"; and the "stick" of further sanctions.

"We cannot be sure that either will work," says the committee. "Things may have gone too far already."

But the report acknowledges that there is heavy international pressure on Britain to endorse sanctions: "Failing a positive and early response by the South African Government to any alternative strategy, it is nevertheless likely that the industrialised countries, including the UK, will feel compelled to follow this course," it says.

The committee began taking evidence last October on the situation in South Africa and witnesses included Sir Geoffrey Howe, the British Foreign Secretary, Mr Oliver Tambo, President of the African National Congress, and Dr Denis Worrall, the South African ambassador.

The report, written before Tuesday's rejection by Presitden P. W. Botha of the European Community's South Africa initiative led by Sir Geoffrey Howe, says that if the Foreign Secretary returns from Pretoria empty-handed "pressure on the British Government to join in the imposition of at least some further negative measures is going to be intense."

The committee also warns of the threat to the Commonwealth posed by divisions over South Africa. It says that the coherence of the organisation can be re-established only if its black African members are confident that Britain will opt for a united Commonwealth approach to South Africa.

A mini summit on South Africa of seven Commonwealth leaders is due to start in London on Sunday, when Mrs Margaret Thatcher, the British Prime Minister, will come under renewed pressure to impose sanctions against Pretoria.

"The danger of the disintegration of the Commonwealth as a result of difference about policy . . . is not to be dismissed lightly," says the committee.

It points out that in 1984 Commonwealth countries took 39 per cent of net new outward investment by UK companies and contributed 38 per cent of total UK earnings from outward direct investment. The comparable figures for investment in South Africa were 2 per cent and 5 per cent. In 1985 trade with the Commonwealth represented about 10 per cent of total UK external trade, compared to 1 per cent with South Africa.

The all-party committee, chaired by Conservative MP Sir Anthony Kershaw comes to no conclusions about sanctions. The choices are not straightforward, says the committee: "Even given our repugnance at apartheid, there can be no certainty that any one set of policies we might advocate may achieve the removal of that evil practice within a relatively short timescale, or that any one set of policies will produce more or less suffering or hardship in the course of its execution."

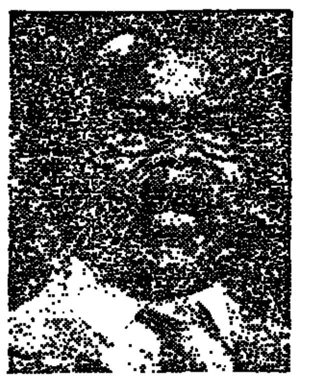
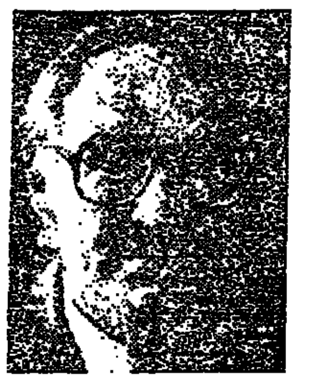
The report says it is "certain" that "whatever the eventual outcome in South Africa, the British government itself faces the probability of more immediate difficulties, particularly in its relations with the Commonwealth, if it decides to resist the weight of sentiment in favour of strong and concerted international action to try to force, rather than encourage, the South African Government to the negotiating table."

The committee reviews the effectiveness of sanctions, saying first that "the mere expression of moral outrage is not sufficient justification.

"It is impossible to estimate the effect in political as well as economic terms." The economy "might survive in the short term for rather longer than sometimes thought . . . (but) . . . after a while the sanctions would be likely to bite very hard, and no South African Government would be able to ignore their effect in the framing of its policies."

The report is also cautious in its assessment of the effects of sanctions on the British economy. Estimates of job losses range from 26,000 to 120,000. The committee finds it difficult to assess black opinion on the merits of sanctions, but acknowledges that many black South Africans are prepared to make sacrifices in order to achieve the end of apartheid.

Sixth Report from the Foreign Affairs Committee: South Africa. HMSO, £4.60.


Mr Oliver Tambo (left) and Mr Denis Worrall (centre) were among the witnesses to the committee which was chaired by Sir Anthony Kershaw

S. African business steadies its nerve

By Bernard Simon in Johannesburg

THE heightened threat of new sanctions following the failure of the EEC mission led by British Foreign Secretary Sir Geoffrey Howe earlier this week has sent only a slight ripple through South Africa's business community.

Nervousness among foreign investors pushed the financial rand, the currency used for capital flows, to a record low of 18.88 US cents yesterday morning, 2 cents below Tuesday's close.

In addition, the commercial rand lost about a cent in early trading to 38 cents. Both rand markets recovered later in the day however, with the commercial rand closing at 38.50 cents and the financial rand at 19.38 cents. The Reserve Bank provided some support for the commercial rand.

Members of the business community had mixed reactions to President P. W. Botha's refusal to bow to EEC demands for the release of imprisoned black leader Mr Nelson Mandela, the removal of the ban on black political groups and the initiation of meaningful dialogue between black and white South Africans.

While favouring more rapid political reforms, many businessmen also feel dutybound to resist sanctions as vigorously as possible.

A senior bank economist said: "Anyone who expected the Government to succumb to Sir Geoffrey unconditionally was a fool. What the business community was not expecting was the undiplomatic way in which Mr Botha defended his views."

Most business people appear to have reconciled themselves to the prospect of more stringent measures against South Africa by the country's trading partners. There is widespread optimism however, that steps currently envisaged by the US and European governments will not inflict further serious damage on South Africa's foreign trade or the economy as a whole.

The country's leading business newspaper, Business Day, launched an attack on what it called western countries' "hysterical demand for change, no matter what the cost of the outcome."

In an editorial, it said that while the search for "a new South Africa" continues, "it is right and moral to do everything possible to preserve this industrial economy against the assault of those in the west who are willing to send the country the way of Iran and Cambodia."

Foreign Office warns of possible risk to employment

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

A SIGNIFICANT number of jobs in engineering, transport equipment and chemicals would be at risk if further measures were taken against South Africa, but the impact on the economy as a whole is extremely difficult to assess, the Foreign Office has told the Commons Foreign Affairs Committee.

In a confidential memorandum, which has now been published at the request of the committee, the Foreign Office points out that South Africa is the 17th largest market for UK exports, valued last year at over £1bn.

It estimates the book value of UK direct investment in South Africa at about £2bn, with an additional £6bn held in portfolio investments. The realisable value of all UK investments is likely, however, to be much lower.

The Foreign Office claims that, given the relatively high percentage of UK exports to South Africa and the high level of UK investment there, Britain has more to lose than its competitors. All measures, it adds, would be likely to damage the UK's extensive interests in South Africa and to reduce the value of its investments in that country.

The memorandum says the banning of South African imports — largely raw materials and agricultural products — could also cause considerable problems, disrupting supplies to industry and consumers and forcing up prices. There could also be implications for employment in a wide range of industries.

Retaliation by the South African Government, the Foreign Office adds, could further exacerbate the effects on Britain and on the front-line African states.

In any event, the memorandum adds, the immediate impact of any measures would be likely to be reduced over time by offsetting policy measures in South Africa.

Measures against trade in primary commodities, if implemented by all South Africa's trading partners, would affect the republic's production, foreign exchange earnings and, overwhelmingly, non-white employment. The document says new inward investment to South Africa is already extremely limited.

In reviewing the possible further measures discussed at last October's Commonwealth heads of government meeting in Nassau, the Foreign Office says a ban on air links with South Africa could not be enforced legally for over a year. Revenue losses to British Airways, one of the major carriers, could amount to tens of millions of pounds.

A ban on the import of agricultural products from South Africa could, initially, have a significant impact on the 1.25m non-white labourers and on agricultural export earnings, but these could eventually be mitigated.

Stopping new export credit, however, could have a significant impact on economic growth and development in South Africa, but important orders would be lost to the UK.

A ban on steel imports from South Africa, the memorandum claims, would be evaded easily, but a halt to coal imports would represent a serious setback for the South African mining industry. Even so, the non-white workforce would bear the brunt of any resulting cutbacks.

The Sixth Report from the Foreign Affairs Committee, Session 1985-86. South Africa, SO, £4.60.

Britain 'fails to keep pledges'

BY MICHAEL HOLMAN

BRITAIN has failed to implement effectively the four international agreements to which it is committed on measures against South Africa, says a study published today by the Anti-Apartheid Movement, the London-Based organisation which opposes white rule in the republic.

The report will be presented to the seven Commonwealth heads of government who are due to meet in London this weekend to review developments in southern Africa since the Commonwealth summit in Nassau last October.

The four agreements are: the Gleneagles Agreement, adopted in June 1977, which covers sporting links with South Africa; the UN mandatory embargo on arms to Pretoria, adopted in November 1977; a package of "restrictive measures" agreed to by European Community foreign ministers in Luxembourg in September 1985; and the "programme of common action" drawn up at Nassau last October.

The report challenges the claim last June by Mrs Margaret Thatcher, the British Prime Minister, that "no other (major Western industrialised country) has done more" than Britain to enforce these and other measures against South Africa, and deals with each area in turn.

● Gleneagles: No country has more sporting links with South Africa than Britain, says the report.

● Arms imports: Britain has refused to implement comprehensive legislation to enforce the embargo, and has sanctioned the export of "dual purpose" equipment such as advanced military radar systems.

● Ban on computer sales to the police and armed forces: This has been breached, says the report, and the controls themselves are inadequate.

● Oil embargo: no embargo is in force, only guidelines, which leaves British companies free to supply oil to South Africa.

● No security contacts: Britain and South Africa exchange naval intelligence and have "other high-level exchange of general intelligence," says the report.

● Ban on imports of gold coins: "At most a nuisance value," the report asserts, because they can still be imported via a third country. Britain has opposed moves to make the ban mandatory on all countries through the UN security council.

Commonwealth leaders meeting in London to prepare a further package of sanctions should intraduce "the necessary machinery to ensure that Commonwealth decisions are effectively implemented by all member states," says the report.

A Tiny Little Bit: An assessment of Britain's Record of Action Against South Africa. Anti-Apartheid Movement, 13 Mandela Street, London NW1 0DW, £1.

White House 'waiting for international response'

BY REGINALD DALE, US EDITOR, IN WASHINGTON

PRESIDENT RONALD Reagan could accept some limited new moves against South Africa, but would prefer to wait and see whether concerted international action was forthcoming, according to administration officials.

In particular, Mr Reagan is understood to want to see how his close ally Mrs Margaret Thatcher, the British Prime Minister, reacts to the failure of the Howe mission. If Mrs Thatcher were to modify her stand against sanctions, it is thought that Mr Reagan might follow suit.

For the moment, Mr Reagan is reportedly prepared to consider only token steps, such as denying US visas to employees of the South African Government and state industries, and withdraw US landing rights from South African Airways.

These are among the mildest measures in a new sanctions package introduced in the Senate this week by Mr Richard Lugar, the Republican chairman of the Foreign Relations Committee. Voting in the committee is expected to start today.

While Mr George Shultz, the Secretary of State, is reported to be more willing to accept economic sanctions, Mr Reagan is said by officials to be resisting the stronger measures contained in the Lugar package.

These include import bans on South African steel, uranium, cement and aluminium, restrictions on South African bank accounts and investments in the US, and a ban on new investment in South Africa by US companies not committed to equal treatment for black workers.

Mr Lugar yesterday predicted that two thirds of the 100 senators would support his plan, enough to override a presidential veto.

Kwandebele minister killed

AN apparent shift in the local point of unrest in South Africa from urban to rural areas was underlined yesterday by the violent deaths of a controversial Cabinet minister of the troubled Kwandebele tribal homeland and five policemen in the nominally independent Transkei, writes Bernard Simon.

Kwandebele's Minister of Home Affairs, Mr Piet Ntuli, who has spearheaded a harsh crackdown against opponents of "independence" due to be granted to the territory later this year, was killed when his car exploded in Siyabusha, the homeland's capital. Kwandebele is a tiny territory located north-east of Pretoria.

The South African Bureau for Information also said that nine people, including five policemen, died in an attack on Umtata police station in Transkei.

Sir Geoffrey Howe with President P. W. Botha and Foreign Minister Pik Botha: in spite of the smiles the British Foreign Secretary came away empty-handed.

Compromise hopes dwindle as Botha moves the goalposts

Robert Mauthner, who travelled with Sir Geoffrey Howe to Southern Africa, assesses the impact of the mission.

PRESIDENT P. W. Botha's almost brutal rejection of the proposals made by Sir Geoffrey Howe's mission to Southern Africa on behalf of the European Community has had at least one salutary effect: it has cleared the air.

Those who believed up to the last minute that the President would be swayed by sweet reasonableness must now have serious second thoughts. The Afrikaners, as President Botha made all too clear, bitterly resented from the very start what they saw as the mission's interference in the internal affairs of South Africa. Mr Botha's message was that they would certainly not bow to outside pressure when what they perceive to be their own vital interest are involved.

There are some in the Foreign Office who believe that it is when President Botha is at his toughest that he is preparing to make concessions. The best thing in such circumstances is to leave Mr Botha in peace, as he himself has demanded, so that any "reforms" which he might be on the point of undertaking, will be pushed through free of any foreign threats or pressure, it is argued.

The recent history of South Africa, however, provides little evidence of a "self-starting" reform movement. Most of the limited reforms undertaken by the Pretoria Government, such as the abolition of the pass laws, have been adopted as the result of some kind of pressure, either domestic, economic or foreign, whatever the South African government might say.

It is, in any case, illusory to think that western governments, who have become increasingly concerned about the situation in South Africa over the past few years, would suddenly agree to stand back and allow President Botha an unlimited period to push through his ill-defined reform programme.

Outside pressure is now a fact of life which President Botha has to live with and there are clearly some prominent people in South Africa, even in the government, who believe that the President was wrong to reject such a reasonable form of pressure as that exerted by Sir Geoffrey.

The British Foreign Secretary was certainly a more understanding and potentially more friendly negotiating partner than most other world statesmen would have been in the circumstances.

To have sent him away without any kind of undertaking that the conditions for a dialogue between the Pretoria government and the country's black leaders would be fulfilled, is likely to trigger co-ordinated international measures against South Africa, which President Botha could bitterly regret.

On the substance of the matter, Sir Geoffrey's proposal that Mr Nelson Mandela should be released and the ban on the African National Congress (ANC) should be lifted in return for undertakings to abandon violence — it might seem at first sight that the two sides were not so very far apart.

But President Botha managed to move the goal-posts once again when he said that there could be no talks with the ANC as long as it was "under communist control."

Even if it is accepted that a certain proportion of the ANC's executive members are communists, it would be entirely unrealistic to suppose that President Botha's condition would ever be accepted by that movement.

What the South African President has done is to have wrecked one of the last remaining chances of reaching a compromise with South Africa's western partners. It is unlikely that the next mission to visit South Africa, which might be from the US, will be as indulgent and accommodating as Sir Geoffrey's.

EEC countries likely to step up pressure for action

EUROPEAN COMMUNITY economic sanctions against South Africa seem inevitable following British Foreign Secretary Sir Geoffrey Howe's failure to win concessions during talks in Pretoria on behalf of the group, EEC diplomats said yesterday, Reuter reports from Brussels.

Britain's Community partners expected British Prime Minister Margaret Thatcher to drop her opposition to sanctions demands, the diplomats said. They wanted an early EEC move which could galvanise world action against Pretoria.

Britain remained the key to a decision and pressure on Mrs Thatcher at next week's Commonwealth summit in London should help convince her to agree an early sanctions move, they added.

OTHER OVERSEAS NEWS

Zimbabwe budget set to lift spending on armed forces

BY TONY HAWKINS IN HARARE

HIGHER spending on education, debt service and defence is expected to be announced in Dr Bernard Chidzero's Zimbabwe budget to be presented to parliament today.

Zimbabwe newspapers yesterday carried large advertisements calling for recruits for the new sixth brigade which is being established and which could increase the number of men under arms from an estimated 40,000 to more than 45,000.

The country is also anxious to build up its defences against possible further South African incursions and because of the need to protect its vital transport link through neighbouring Mozambique to the port of Beira.

Few other major changes are anticipated in the budget. The government recently received the report of its commission of inquiry into taxation which is understood to recommend significant tax changes. However, it seems unlikely that it has yet fully considered the report. The structural changes recommended, including a land tax and the replacement of special initial allowances for capital investment with a new system, are likely to be implemented next year.

Buoyant profits and strong economic growth last year should give Mr Chidzero an opportunity to trim the budget deficit which a year ago was forecast at around 10 per cent of GDP.

However, rapid expenditure growth is expected in 1986-87 largely reflecting an inflation rate which averaged 13 per cent annually in the first half of 1986.

With Zimbabwe in the throes of negotiating a major loan from the World Bank for export promotion, Mr Chidzero will want to keep as tight a rein as possible on public spending.

US may improve Israel's trade status

By Andrew Whitley in Jerusalem

THE US is prepared to extend "most favoured nation" status to Israel in military purchases and research. This could have far-reaching benefits for the overstrained Israeli defence budget.

Mr George Bush, the US Vice President, said in Jerusalem yesterday that a joint study group will be established to examine the subject, one of the few practical outcomes of his four day visit to Israel.

The immediate consequence of this enhanced status for Israel, a major arms purchaser from the US, will be to boost the prospects for it obtaining an alternative, US-built fighter aircraft in place of its own ambitious Lavi project.

Reuter adds: Israel announced yesterday it would link its shekel, currently aligned to the US dollar, to a basket of currencies as of August 1.

Gorbachev turns his attention to the East

BY DAVID BUCHAN

MR MIKHAIL GORBACHEV, the Soviet leader, has, in his far ranging Vladivostock speech earlier this week, opened up a wide eastern front in what has become a global diplomatic offensive to improve Soviet standing in the world.

Indeed, this Ostpolitik, particularly where it touches issues of concern to both East and West, like Afghanistan, is in certain respects key to the success of current Soviet policies towards the West.

Clearly, the announcement that a small number of the 115,000 Soviet troops in Afghanistan would return home by the end of the year was the most eye-catching element in his speech. It was patently designed to influence today's resumption of United Nations-sponsored peace talks between Afghanistan and Pakistan in Geneva.

The immediate Western judgment, shared by Pakistan, is that it is a gesture, but not a militarily significant one. The six regiments to be withdrawn number only around 6,000 men, half of whom are "air defence" against Afghan rebels with no air power.

Previous Soviet withdrawals have proved no more than rotation of the occupying forces in Afghanistan. What is still lacking for success in the Geneva talks, is a Soviet timetable for a complete pull-out in something less than the four years Moscow suggested earlier this summer.

But Mr Gorbachev may have as much an eye open for the reaction from China, the focal point of his Asia strategy, as that from the West or even Pakistan. Peking has made Soviet withdrawal from Afghanistan one of its "three conditions" for fully normalising relations with Moscow.

While the Chinese may share the scepticism about the latest development over Afghanistan, they are probably more exercised about the two other issues of Sino-Soviet dispute nearer home—the heavy Soviet military presence on the Chinese border and Soviet backing for a Vietnam that controls much of Indochina.

On the first of these issues, the Soviet leader said the question of withdrawing "a substantial part" of the estimated 25,000 Soviet troops in Mongolia was being considered jointly with the Mongolian leadership — which significantly, like that in Afghanistan, has changed recently.

He reiterated a Soviet compromise for settling the key territorial squabble on the Sino-Soviet border, and proposed mutual troop cuts either side of that border.

Mr Gorbachev had, by contrast, only pious words to offer on the settlement of Indochina's internecine strife, and in effect admitted Vietnam was now beyond Moscow's power to control in its domination of Kampuchea and disputes with China.

But coupled with general expressions of respect and understanding for a China pursuing the same economic modernisation goal as the Soviet Union, his speech amounts to the most purposeful Soviet overture towards China for many years.

But it also went wider than that. The Soviet Union has come to feel economically excluded from the booming Pacific region. It wants to become the player that it reckons its size and (largely Asian) geography entitles it to.

This year, Japan got its first visit from a Soviet foreign minister in ten years, and this week Mr Gorbachev talked of a Soviet part in "Pacific economic co-operation" and urged better relations between Communist Indochina and members of the non-Communist Association of South-East Asian Nations.

The Soviet Union also feels strategically boxed in by US influence, or what Mr Gorbachev termed the Washington-Tokyo-Seoul triangle.

He called for talks with the US on reducing fleet activity in the Pacific, said Moscow would respond (in some unspecified way) if the US were to give up its bases in the Philippines, and urged resumption of the late 1975 talks with Washington on Indian Ocean naval activities.

But what he seems to have taken on board is the need for the Soviet Union not to frighten Asians any more than it has already with the build-up of its land and naval forces in the region

So, we have Mr Gorbachev this week proposing a Helsinki-type conference on confidence building measures in Asia and the Pacific.

Of more immediate and practical import, the Soviet leader has stressed again that he will not increase the number of SS-20 missiles in the Soviet Far East.

Thus, in this roundabout way, the Vladivostock speech must also be seen in the context of the current US-Soviet sparring over arms control. Nor can the Soviets be blind to the historical fact that it was their invasion of Afghanistan that scuppered US Senate ratification of Salt 2.

MR DIEGO CORDUVEZ, the UN mediator, arrived in Geneva yesterday for the resumption of what both sides insist is the "final round" of the four-year indirect talks between Pakistan and Afghanistan on a political settlement of the Afghan conflict, AP reports from Geneva.

The talks are scheduled to reopen today against the backdrop of reported new fierce fighting and Moscow's announcement that six Soviet regiments would be withdrawn from Afghanistan before the end of the year.

The talks are stalled over a timetable for complete Soviet withdrawal.

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WORLD TRADE NEWS

US threatens to withdraw from textile accord

BY ANTHONY MORETON IN GENEVA

THE US yesterday threatened to pull out of the Multi-Fibre Arrangement (MFA) altogether unless it is given an assurance that all fibres will be included in the extension to the agreement now being discussed in Geneva.

The MFA which regulates a large part of the world trade in textiles and clothing, expires at midnight tonight. If the accord is not renewed, the MFA could collapse, thereby endangering the new round of international trade talks in the General Agreement on Tariffs and Trade (Gatt) which begin in Punte del Este, Uruguay, on September 15.

China, the world's main producer of ramie, a linen-like fibre that the US would particularly like to be included in the MFA, was understood to be taking instructions late last night from Peking on the US move.

Until now, China, together with Hong Kong, the main processor of ramie into sweaters, and the Philippines, the second most important producer, have strongly opposed raime and other fibres such as sisal and jute being included in the textile arrangement.

The EEC has also opposed the US because it fears that any barriers erected by the Americans would lead to clothes being diverted to the European market.

The strong stand taken by the American delegation here in Geneva partly stems from a fear that the Jenkins bill could be re-enacted in the US Congress next Tuesday (August 6) unless it wins such concessions.

The Jenkins bill passed both House of Representatives and the Senate by a simple majority earlier this year but was vetoed by President Ronald Reagan. It returns to the House a second time next Tuesday where a two-thirds majority will be required to override the President's veto.

The US textile lobby's fierce campaign has won converts, most notably the mid-Western corn producers. If corn-belt congressmen were to change sides on Tuesday there would be a good chance of President Reagan's veto being overridden.

It is thought that the US delegation in Geneva might agree to drop its demands on jute and sisal in order to succeed in bringing ramie into the MFA.

Philippines defers plan to liberalise imports

BY SAMUEL SENOREN IN MANILA

THE PHILIPPINES is to defer for three months a plan to further liberalise imports. The aim of the delay is to give government and private sector representatives more time to scrutinise the list of products.

The decision, reached during a meeting of the cabinet, was approved by President Corazon Aquino, the Philippines President, on the recommendation of Mr Jose Concepcion, the Trade Minister.

Mr Concepcion, who owned a large business enterprise before joining the government, had threatened to resign if the import liberalisation plan were fully implemented without giving the business sector a chance to review the list of items scheduled to be freed from import controls.

The International Monetary Fund (IMF), which is currently holding talks on providing a standby credit to the Philippines, had asked the government to liberalise imports of 1,232 items by end-December, Mr Concepcion said.

The deferment covers 137 items which were to have been freed from import restrictions today. Under the liberalisation programme about 70 per cent of the 1,232 items have already been taken off the import restriction list.

The IMF, which has been asked to provide a new stand-by credit of up to Sdr 615m, has insisted that the trade liberalisation programme go ahead as scheduled.

The Philippine authorities were optimistic the delay in the trade liberalisation would not hold up negotiations scheduled to end this weekend.

Sony plans to double overseas production

By Carla Rapoport in Tokyo

SONY, one of Japan's brightest lights in the consumer electronics field, plans to double its overseas production over the next three years from about $1.8bn (£1.2bn) to about $3.6bn by 1989. The strategy may lead to new plants being built abroad and to job losses in Japan.

Sony, along with other top Japanese exporters, is shifting production overseas in order to shelter from the effects of the high yen. The company has not yet suffered heavily from the yen's 40 per cent appreciation against the US dollar, but a senior Sony executive yesterday said the company had to prepare for tough times ahead.

About 20 per cent of Sony's sales (1985: £6.1bn) are now produced in overseas facilities. Within three years, according to Mr Ken Iwaki, Sony's director of corporate planning, the company aims to have 35 per cent of its sales come from overseas plants.

This output, he said, will be equally divided between the Americans, Europe and Asia in order to minimise currency risk, trade friction and political risks.

Mr Iwaki said most of the expansion would be achieved by enlarging Sony's current facilities around the world. He said the company may consider building another plant or two, perhaps in Italy or Canada.

The resultant reduction in exports from Japan, he said, may cause Sony to lay-off some of its temporary workers, who make up about 20 per cent of the company's labour force.

"So far out strategy is to supply the domestic market from Japanese factories. But this may not be workable because imports from Taiwan and Korea may hurt Sony's domestic sales," said Mr Iwaki.

"If we cannot grow, we may have to close some domestic assembly lines or facilities, with some loss of labour,"

He believed that this time there was no hope of the yen returning to its former levels. Mr Iwaki added that "people in Japan had not yet realised how serious the situation was.

Sony says the increasing shift to overseas production will decrease its competitive edge in overseas markets.

Peter Bruce explains the significance of West Germany's move on modems

Bundespost reaches deregulation milestone

WEST GERMANY'S grinding progress towards the deregulation of its telecommunications markets has just reached something of a milestone, with the government agreeing to allow manufacturers to sell modems—the equipment linking computers to telephone systems or to each other—directly to the public.

Bonn has not only been dragged to the water, it has been forced to drink it as well. Until now, the only way to connect a computer in West Germany to another one there or abroad has been to lease a normally bulky Siemens or SEL modem from the Bundespost, the country's telecoms monopoly.

Computer users have been so unimpressed with the performance of these offerings, and the Bundespost's marketing of them has been so poor, that there are only 59,000 modems in the country, compared with around 115,000 in France and nearly 300,000 in the UK.

Many operations requiring modems, say industry experts, are simply not being performed in West Germany.

Now, after three years of negotiation with the European Commission in Brussels, it should be theoretically possible for any modem producer to sell a product directly to a West German computer user. But there is a gigantic catch.

For a start, it is worth noting that the decision to scrap the Bundespost monopoly on modems was made in Cabinet. This means it was forced on the Bundespost, whose administrative council, which includes trade union representatives, opposes it along with almost all other attempts to liberalise West German telecommunications.

Yet even in the new liberalised modem market—about which a great deal will be said by West Germany's free market propagandists — this brooding monopoly, the biggest employer in Western Europe, will retain the power to draw up specifications for, test and approve any modem used to connect to its network.

Suppliers outside Germany, say market analysts, have taken a sceptical view of this deregulation. They fear that their products, often more innovative than the local competion, could face massive delays in getting to the market.

Bundespost officials say they try to limit testing of new products to three months. One West German group, however, the Deutsche Fernsprecher Gesellschaft, has just had a new modem approved after a wait of more than a year.

Not only will new entrants to the modem market face being bound by Bundespost specifications, but their product proposals will be inspected by the representative industry body, the ZVEI in Frankfurt.

The people doing the inspection will often be West German competitors, and their approval of a new product will be decisive. The club, as the late computer producer Heinz Nixdorf discovered when he tried for years to win approval for a Nixdorf PABX system, is very hard to join.

From Frankfurt, new products are taken to the Bundespost test facilities in Saarbrucken, where telephones are dropped from great heights to test their strength.

The Bundespost says Brussels has instructed it to begin implementing the liberal regime by December. Within a year, it will have to have drawn up specifications covering 60 per cent of the market and 90 per cent in two years.

That market, says Bundespost officials in an unwitting criticism of their own marketing, could double in size very quickly once private industry enters the fray.

Even then, though, the mandarins in the Bundespost's great white headquarters on the banks of the Rhine have managed to make victory for the free traders—mainly the Bonn Economics Ministry—only partial. For instance, the Bundespost has held on to its monopoly over modems connected to its much vaunted though little used teletext system, Bildschirmtext.

The US Government, which has been pressing on behalf of its industry for West Germany to open its market, is also unlikely to be impressed by the modems decision.

Modem deregulation was probably the easier to implement of several areas of conflict between Washington and Bonn over telecommunications policy in West Germany. In any case, the Bundespost is planning to introduce a fully digital telephone system, which will do away with the need for modems.

Senior West German and US negotiators have already met twice this year and are likely to meet again in the autumn. Washington has seemed at times hardly able to believe how slowly progress is made in the protected Germany market.

In Munich late last year, with the Bundespost promising to "harmonise" modem requirements, the two sides also agreed provisionally, that:

- US companies could participate without discrimination in Bundespost tenders offered in the EEC.
- The Bundespost product approval procedures would be expedited.
- Suppliers would have a "right" to obtain product approval.
- After the "harmonisation" in 1988 of Bundespost tariffs (a new charge system based on volume of usage rather than fixed rents), private industry would be able to offer more services on Bundespost lines.
- Specifications for PABXs would be able to offer more services on Bundespost lines.
- Specifications for PABXs would be revised to allow larger systems, like those common in the US, to be installed.
- The mandatory leasing of the "primary instrument," traditionally the telephone, would be eliminated after the introduction of digital switching in 1988.

Given the fact that the Bundespost is doing almost none of this by choice, the negotiations with the US could become uncomfortable long before the world's modem producers even begin to get excited about the blip over Germany on their radar screens.

Baldrige unsure over chip pact

Mr Malcolm Baldrige, the US Commerce Secretary, said there was a 50-50 chance that US and Japanese negotiators will complete an agreement on semiconductor trade before the negotiating deadline, Reuter reports from Washington.

Mr Baldrige told the President's Export Council that if an agreement had not been reached by midnight last night dumping penalties against the Japanese would have to be initiated.

The US and Japan have been involved in a dispute over semiconductor trade, with the US accusing the Japanese of dumping semiconductors in the US and of shielding their market from US exports.

Mr Baldrige, who just returned from three days of talks with Japanese leaders, said Mr Yusohiro Nakasone, the Japanese Prime Minister, told him he strongly supported recommendations of the Maekowa report that called for actions to stimulate Japan's economy.

Foreign investment deals in China fall 20%

FOREIGN investment commitments in China fell sharply in the first half of this year and Western diplomats said Peking must take drastic action to win investor confidence, Reuter reports from Peking.

Liu Xiangdong, a senior official of the Foreign Trade Ministry, said that contracts for foreign investment fell to $1.24bn, a decline of 20 per cent against the first half of 1985.

The announcement follows bitter criticism from investors over high costs, bureaucratic red tape, inadequate laws and shortages of power and vital raw materials.

"Peking must do something drastic to win the confidence of investors, or else its modernisation programme will be affected," one Western diplomat said. "They need foreign investment to speed exports and to gain foreign technology."

Liu said the government was working hard to improve conditions for investment and would announce new measures at the end of an investigation which was now under way.

He ruled out any change in policy on one of the most important complaints of investors: that overseas companies are not allowed to convert into foreign currency profits earned in Chinese money from sales in the local market.

Liu said actual investment in the first half of this year rose 6.9 per cent from the same period last year to $722m. This investment comes from deals signed earlier.

Liu said that, like other developing countries, China could not use its scarce foreign exchange to help out its joint ventures with foreigners.

"We are not satisfied with things as they are — the joint ventures should export more themselves," he said.

He added that more than three-quarters of China's foreign investment this year, and last year, came from Hong Kong and Macao, with only a small proportion from the major industrialised countries like the US and Japan.

"In terms of business costs, labour productivity, access to the leadership and to information and government efficiency, China ranks behind all other East Asian countries competing with it for foreign investment," one Western diplomat said.

He said some US companies in China were already considering whether to continue operations.

Company Notices

WEST RAND CONSOLIDATED MINES LIMITED

(Incorporated in the Republic of South Africa)

Company Registration No. 01/01978/06

COUPON NO. 109
(DIVIDEND NO. 109)

HOLDERS OF SHARE WARRANTS TO BEARER are informed that they will, on or after 8 August 1986 be paid 6.67714p per share, viz. 7.85546p the amount declared per share, less 1.17832p being South African non-resident shareholders' tax of 15% against surrender of Coupon No. 109. Coupons must be deposited for FOUR CLEAR DAYS for inspection before payment will be made:—

In London at Gencor (U.K.) Limited, 30 Ely Place, London, EC1N 6UA

In Paris at Credit du Nord, 6 & 8 boulevard Haussmann, Paris (9e)

In Basle at Swiss Bank Corporation

In Zurich at Credit Suisse

Coupons belonging to holders resident in Great Britain and Northern Ireland will be paid as follows:—

	Pence
Amount of dividend after deduction of South African non-resident shareholders' tax of 15%	6.67714
Less: United Kingdom Income Tax of 14% on the Gross Amount of the dividend of 7.85546p	1.09976
	5.57738

Listing forms can be obtained from the office of the London Secretaries.

per pro GENCOR (U.K.) LIMITED
London Secretaries
L. J. BAINES

31 July 1986

NOTE:
Under the double tax agreement between the United Kingdom and the Republic of South Africa, the South African non-resident shareholders' tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 14% instead of at the basic rate of 29% represents an allowance of credit at the rate of 15%.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDR's) IN FUJITSU LIMITED

NOTICE IS HEREBY GIVEN that FUJITSU LIMITED paid a dividend of Yen 4.00 gross per share on 2nd July, 1986 to Shareholders of record date 31st March 1986. This dividend has been converted to U.S. Dollars and amounts to US$24.76 gross per EDR.

Notice is also given that FUJITSU LIMITED made a free distribution of shares in the ratio of [illegible] share for each 1 common share of Yen 50 each to Shareholders of record 31st March 1986. New shares not aggregating 1,000 shares or multiples thereof have been sold and amount to US$5.52 per share.

Accordingly, Kleinwort Benson Limited as Depositary informs holders of EDR's that they should claim their entitlements by presenting Coupon No. 13 for the free issue of shares and Coupon No. 14 for the Dividend on or after 31st July 1986 at the office of the Depositary, Kleinwort Benson Limited, 20 Fenchurch Street, London EC3P 3DB, Morgan Guaranty Trust Company of New York, Avenue des Arts 35, 1040 Brussels or Banque Internationale A Luxembourg S.A., 2, Boulevard Royal, Luxembourg.

Coupons must be left for 3 clear business days for examination and may be presented on any week day (Saturdays and public holidays excepted) during normal business hours.

Japanese withholding tax at the rate of 20 per cent will be deducted from the gross value of all dividends paid unless the EDR holder lodges in a form acceptable to the Depositary, an affidavit of residence in a country with a tax treaty or agreement with Japan providing for a lower rate of withholding tax in which case such lower rate will be applied.

The difference between the amount of withholding tax deducted and the standard rate of Income tax payable in the United Kingdom will also be deducted from all dividends paid in the United Kingdom unless holders of EDR's furnish the Depositary with the affidavits of non-residence in the United Kingdom.

KLEINWORT BENSON LIMITED
London Depositary

BRAZILIAN INVESTMENTS SA
Sociedade de Investimento Capital Estrangeiro

INTERNATIONAL DEPOSITARY RECEIPT
issued by
Morgan Guaranty Trust Company of New York

Interim dividend of US$73.88 net per IDR of the first series and US$54.61 net per IDR of the second series, in respect of the half year ended 31st March 1986, will be payable on or after 25th July 1986 upon presentation of coupon No. 21 (first series) and No. 16 (second series) at the offices of:

Morgan Guaranty Trust Company of New York
—Brussels, 35 avenue des Arts
—London, 1 Angel Court
—New York, 23 Wall Street

representing a gross dividend of 15 per cent cruzeiro share (less Brazilian withholding tax of 15 per cent) and expenses of US$0,505 per IDR (first and second series).

MURRAY AMERICAN GROWTH SICAV
(formerly MURRAY FUND S.A.)
Registered Office:
Luxembourg, 14 rue Aldringen
Commercial Register:
Section B No. 3336

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Shareholders of MURRAY AMERICAN GROWTH SICAV S.A. will be held at its registered office at Luxembourg, 14, rue Aldringen, on August 8th, 1986 at 16.00 o'clock for the purpose of considering and voting upon the following matters:

1. To hear and accept the reports of
   a) the directors
   b) the statutory auditor.
2. To approve the statement of assets and liabilities and the statement of operations ended March 31st, 1986 and to consider declaration on dividend.
3. To discharge the directors and the auditor with respect to their performance of duties during the year ended March 31st, 1986.
4. To elect the directors to serve until the next annual general meeting of shareholders.
5. To elect the auditor to serve until the next annual general meeting of shareholders.
6. Any other business.

The shareholders are advised that no quorum for the statutory general meeting is required and that decisions will be taken at the majority of shares present or represented at the meeting, with the restriction that no shareholder neither by himself nor by proxy can vote for a number of shares in excess of one-fifth of the shares issued or two fifths of the shares present or represented at the meeting.

In order to take part at the statutory meeting of August 8th, 1986, owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Fund, 14, rue Aldringen, Luxembourg, or with the following banks:
BANQUE GENERALE DU LUXEMBOURG S.A.
14, rue Aldringen
LUXEMBOURG
CLYDESDALE BANK LIMITED
30, Lombard Street
LONDON EC2

The Board of Directors

SEOUL INTERNATIONAL TRUST

INTERNATIONAL DEPOSITARY RECEIPTS
evidencing Beneficial Certificates representing 1,000 Units

NOTICE IS HEREBY GIVEN to the Unitholders that Seoul International Trust declared a distribution of Won 612,000 per IDR of 1,000 Units payable on August 1, 1986 in the Republic of Korea.

Payments of coupon No. 1 of the International Depositary Receipts will be made on August 8, 1986 in US Dollars at one of the following offices of Morgan Guaranty Trust Company of New York:

— Brussels, 35, avenue des Arts
— New York, 30, West Broadway
— London, 1, Angel Court
— Frankfurt, 44-46, Mainzer Landstrasse
— Zurich, 38, Stockerstrasse

The amount of dollars shall be the net proceeds of the sale by the Fund of the Won amount to a foreign exchange bank in the Republic of Korea at its "spot" rate on August 1, 1986.

The proceeds of the coupons presented after August 1, 1986, will be converted into US Dollars at the prevailing spot rate of the day following their presentation, and will be distributed to the Unitholders in proportion to their respective entitlements and after deduction of all taxes and charges of the Depositary.

Holders residing in a country having a double taxation treaty with the Republic of Korea may obtain payment of their coupons at a lower rate of the Korean non-resident withholding tax, on condition they furnish to either the Depositary or through one of the designated sub-paying agents a certificate showing their residence together with a copy of the certificate of incorporation or a copy of the passport for individuals. Those documents are requested by the Korean National Tax Administration Office as evidence of residence and without them the full rate of 26.875 pct Korean non-resident withholding tax will be retained.

MORGAN GUARANTY TRUST COMPANY OF NEW YORK
Brussels Office,
as Depositary

HOPE STREET FUND S.A.
société anonyme d'investissement
Registered Office:
Luxembourg, 14 rue Aldringen
Commercial Register:
Section B No. 8621

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Shareholders of HOPE STREET FUND S.A. will be held at its registered office at Luxembourg, 14, rue Aldringen, on August 8th, 1986 at 15.30 o'clock for the purpose of considering and voting upon the following matters:

1. To hear and accept the reports of
   a) the directors
   b) the statutory auditor.
2. To approve the statement of assets and liabilities and the statement of operations ended March 31st, 1986 and to consider declaration on dividend.
3. To discharge the directors and the auditor with respect to their performance of duties during the year ended March 31st, 1986.
4. To elect the directors to serve until the next annual general meeting of shareholders.
5. To elect the auditor to serve until the next annual general meeting of shareholders.
6. Any other business.

The shareholders are advised that no quorum for the statutory general meeting is required and that decisions will be taken at the majority of the shares present or represented at the meeting, with the restriction that no shareholder neither by himself nor by proxy can vote for a number of shares in excess of one fifth of the shares issued or two fifths of the shares present or represented at the meeting.

In order to take part at the statutory meeting of August 8th, 1986, owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Fund, 14, rue Aldringen, Luxembourg, or with the following banks:
BANQUE GENERALE DU LUXEMBOURG S.A.
14, rue Aldringen
LUXEMBOURG
CLYDESDALE BANK LIMITED
30, Lombard Street
LONDON EC2

The Board of Directors

MURRAY PACIFIC GROWTH SICAV
(formerly THE PACIFIC FUND S.A.)
Registered Office:
Luxembourg, 14 rue Aldringen
Commercial Register:
Section B No. 7825

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Shareholders of MURRAY PACIFIC GROWTH SICAV will be held at its registered office at Luxembourg, 14, rue Aldringen, on August 8th, 1986 at 10.00 o'clock for the purpose of considering and voting upon the following matters:

1. To hear and accept the reports of
   a) the directors
   b) the statutory auditor.
2. To approve the statement of assets and liabilities and the statement of operations ended March 31st, 1986 and to consider declaration on dividend.
3. To discharge the directors and the auditor with respect to their performance of duties during the year ended March 31st, 1986.
4. To elect the directors to serve until the next annual general meeting of shareholders.
5. To elect the auditor to serve until the next annual general meeting of shareholders.
6. Any other business.

The shareholders are advised that no quorum for the statutory general meeting is required and that decisions will be taken at the majority of shares present or represented at the meeting, with the restriction that no shareholder neither by himself nor by proxy can vote for a number of shares in excess of one fifth of the shares issued or two fifths of the shares present or represented at the meeting.

In order to take part at the statutory meeting of August 8th, 1986, owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Fund, 14, rue Aldringen, Luxembourg, or with the following bank:
BANQUE GENERALE DU LUXEMBOURG S.A.
14, rue Aldringen
LUXEMBOURG

The Board of Directors

Public Notices

MONOPOLIES AND MERGERS COMMISSION
BRITISH WATERWAYS BOARD INQUIRY

Reference under section 11 of the Competition Act 1980

The Secretary of State for Trade and Industry has asked the Commission to investigate certain questions relating to the efficiency and costs of, and services provided by the British Waterways Board. The Commission's investigation will have particular regard to the Board's maintenance activities. Copies of the terms of reference can be obtained from, and representations relating to this inquiry should be sent to:

The Secretary
Monopolies and Mergers Commission
New Court
48 Carey Street
London WC2A 2JT

Please quote PG 23

COMPANIA TELEFONICA NACIONAL DE ESPANA

Floating Rate Note Issue
1980/1991 of US$50 million

The rate of interest applicable for the six months period beginning on July 31 1986 and set by the reference agent is 6¾% annually.

Art Galleries

OMELL GALLERIES, 43a, Duke Street, St. James's, London SW1. Tel: 01-930 7744. AN EXHIBITION OF SCANDINAVIAN PAINTINGS. "AMELLS AT OMELL'S." Mon.-Fri. 9.30-5; Sat. 10-1.

It could prove to be the Army's most effective weapon.

What you see before you is a Challenger tank, armed to the teeth, as in future years it might appear on enemy radar.

Camouflage is perhaps the most basic, yet most significant, weapon of war.

But today, with the introduction of more complex, multi-dimensional surveillance equipment, concealment has become increasingly difficult.

Even the most sophisticated camouflage techniques and practices soon become out-dated.

Quite simply, every ship, submarine, aircraft, tank or armed individual gives off its own unique signal, (or 'signature') that can be recognised acoustically, thermally, magnetically or by radar.

In any attack, the element of surprise is completely removed by a simple reading of the signatures.

So Plessey have taken the signatures, and changed them. Using a multitude of electronic devices, radar-absorbent materials, and a host of other techniques, Plessey have made it possible to thwart the most sophisticated detection systems.

Now, a tank will give off the same signature as, say a milk float. Or a Land Rover the same as a wheelbarrow.

Our own crack troops.

None of which came about overnight.

At Plessey, we are committed to long-term research into and development of the three areas we operate in; telecommunications, defence electronics, and micro electronics.

We insist on recruiting the best young talent. We encourage entrepreneurialism. And we invest consistently and heavily on the basis of sound strategic planning. In the last 4 years alone, we have spent over £1 billion in new product development in all our principal business areas.

Because of our long-term strategic thinking, and strong financial resources, we are always in the forefront of exciting, new technological breakthroughs.

Under attack.

Unfortunately, there is no camouflaging our overwhelming successes from other, more envious companies.

Companies who would jeopardize all that we have achieved by depriving us of the managerial independence that has made it all possible.

Independence we believe to be well worth fighting for.

PLESSEY

The height of high technology.

Overseas loan averts further Liverpool crisis

BY IAN HAMILTON FAZEY

LIVERPOOL CITY Council yesterday averted its budget crisis for this year by announcing a further £30m of borrowings from foreign banks under the type of scheme that the Government outlawed for local authorities last week. Council negotiators beat the ban by 24 hours, concluding the deal with the Japanese bank Yasudo of Tokyo.

Repayment of the new loan will begin after three years and must be completed in the following seven. With interest, about £42m will have to be repaid, in all, severely limiting money available for capital programmes in future years.

The new deal is similar to the deferred-purchase scheme negotiated last year by Phillips and Drew with Union Bank of Switzerland (UBS). Initially, that was to be in two parts of £30m, provided the bank could syndicate the first of them.

It was disclosed yesterday that the syndication failed and UBS had to put up all of the first tranche. It therefore declined to act on the second. The Yasudo deal replaces that. The intermediary was another finance house, Municipal Brokers, which will get a management fee of £7,500 a year.

This is the third block of £30m obtained by the council from the money market to finance its overspending. In 1984-85 it sold its council-house mortgages to the French bank Paribas for a similar sum to help to bridge the gap between the cost of its plans and what the Government would allow it to spend.

This year's budget was £303m. The council raised rates (local property taxes) by nearly 17 per cent – the maximum allowed by the Government – but that still left it £29m short. For several weeks it has gone through an elaborate exercise in trying to work out how to bridge the gap

Amid warnings of rate rises of 40 per cent next year, when government spending curbs will no longer apply, the Liberals on the council yesterday tried to postpone a decision on the Yasudo deal, claiming that it was being rushed through before today's decision of the Court of Appeal on the future of the council's Labour rulers.

The six Conservatives supported balancing the budget via the loan, provided action began immediately on trying to settle the city's long-term finances.

Militant blamed as Labour MP quits

By Michael Cassell

MR ROBERT Kilroy-Silk, the Labour MP for the Liverpool constituency Knowsley North, last night announced that he was resigning his seat in the autumn, having been driven out of politics by the Trotskyite Militant Tendency.

Mr Kilroy-Silk's decision follows a three-year running reselection battle in his Liverpool constituency and will deal a serious blow to Labour's recent claims that it was winning the fight against extremists within the party.

His departure will create immense embarrassment for Mr Neil Kinnock, the Labour leader, just when Labour appeared to have gained the upper hand in its public battle with Militant supporters. Several Militant members have recently been expelled from the party.

The surprise resignation means that there will be a by-election at Knowsley, which Mr Kilroy-Silk won in 1983 with a 17,191 majority. Although Labour should easily retain the seat, the constituency fight to replace him is likely to be extremely acrimonious and threatens to give fresh momentum to the extremist issue.

British Gas starts ambitious marketing drive for investors

BY LUCY KELLAWAY

THE MOST ambitious share marketing drive ever attempted got under way yesterday as the British Gas Share Information Office opened its doors for business.

The office, which will be equipped to handle the several million inquiries expected before the November flotation, forms an important part of a consciousness-raising exercise designed to reach every adult in the UK.

N. M. Rothschild, the Government's adviser to the issue, and Dewe Rogerson, the public-relations consultant, were reluctant to say how many new private investors were expected to be created by the flotation. However, they hope to attract many more than the 2.3m people who bought shares in British Telecom.

Starting today, leaflets entitled "An invitation to join in the British Gas share offer" will be slipped into the 250,000 gas bills being sent out daily. Consumers returning the coupon will receive a fat package of information containing a Stock Exchange guide to investing in shares, a colourful booklet explaining simply what British Gas does, and a selection of typical questions and answers. Similar information will be available in the 800 showrooms round the country.

Last week a preliminary roadshow set off around the UK to brief stockbrokers and advisers on the details of the sale. Dewe Rogerson said those had proved unexpectedly popular.

The sales drive will swing into top gear in September when the main advertising campaign for the issue begins. At the same time, the share information office will have ready banks of telephone lines to deal with inquiries.

In October, a comprehensive exhibition of British Gas business will be held, and later that month a pathfinder prospectus will be published, paving the way for the actual prospectus, to be released at the end of November.

Management buy-outs flourish

BY WILLIAM DAWKINS

FURTHER evidence of the growing popularity of management buy-outs came yesterday with the announcement of three deals with a combined value of £107m – all with a transatlantic flavour.

They include what is believed to be the first management takeover of a listed US company involving a simultaneous buy-out of its European operations. The managers of Technitron, a Windsor-based distributor of computer and instrumentation equipment, raised £20m to buy their company from its US parent, Dyneer Corporation, itself the subject of a management takeover. The two deals are worth a total of £87.2m.

Technitron's financing was put together by 3i (Investors in Industry) with Citicorp Venture Capital. Sales have risen from £12m to £50m over the past five years, with operating profits up from £1.1m to £3.8m during the period.

Technitron employs 365 people in the UK and in seven countries in Continental Europe, where its main customers include British Aerospace, Fokker and Saab Scania.

Meanwhile, GBE International, an Andover-based maker of machinery for the tobacco and food-processing industries, yesterday announced that it had raised £20m to buy itself from its parent group, Minster Corporation, the US engineering conglomerate.

Jobless are leaving depressed areas as wealth gap widens

BY FIONA THOMPSON

MORE PEOPLE are leaving the depressed North and North-west of England, where long-term unemployment and low earning power continue to grip the economy.

The "substantial" migration from those areas is confirmed in the 21st edition of the Government's Regional Trends, published today. The latest statistics point up the continuing divide between the two nations within Britain, emphasising by contrast the prosperity of London and the South-east of England.

The figures show a fall in population in parts of the North of England, against the trend for the United Kingdom as a whole, where there was an overall 7 per cent rise between 1961 and 1984.

The population of Tyne and Wear, in North-east England declined by 8 per cent in that period and a further fall is expected by 1991, at a rate exceeded only by Merseyside (North-west) among the former metropolitan counties.

The North-west had the highest outward migration of all between 1979 and 1984, when its population fell by 1.6 per cent (compared with a rise of 0.5 per cent in the UK as a whole).

Those areas show some of the highest levels of long-term unemployment in the country, declining gross domestic product per head of population, rising crime rates and relatively low standards of educational achievement.

Compared with the national average of 13.5 per cent, the overall unemployment rate for the North at October 1985 was 18.9 per cent, the highest in the country apart from Northern Ireland. The figures become even more depressing when looked at in terms of the long-term unemployed. Of Cleveland's (North-east) 22.4 per cent jobless, for example, 50.9 per cent of them have been without a job for more than one year.

It is a similar picture in the North-west, where the long-term unemployed rate is 45.2 per cent in the region as a whole. The hardest-hit area, Merseyside, has 21.1 per cent unemployed, 51.5 per cent of them long-term. That is the highest sub-regional proportion in Britain.

While the gross domestic product of the North of England was up by £400,000 to £12.8bn in 1984 from the previous year, relative GDP in the region fell from a peak of 95.6 per cent of the UK average in 1976 to 90 per cent in 1984.

More families in the North are seeking state benefits: a quarter of school pupils in the region took free school meals in October 1984 – the highest proportion in Great Britain, although lower than in Northern Ireland.

Crime rates in the area rose also. The North had the highest regional rate of notifiable offences recorded by the police in 1984 outside Scotland, where the legal system differs. In particular, the North had the highest recorded rates for burglary and for theft and for handling stolen goods.

Although not as badly hit as the North and North-west, the neighbouring regions of the East Midlands, Yorkshire and Humberside, and the West Midlands have not been unaffected.

GDP per head in Yorkshire and Humberside declined sharply from 92.9 per cent of the UK average in 1983 to 87.8 per cent in 1984, partly because of the coal strike.

The once buoyant West Midlands showed declines in employment, earnings, GDP and share of UK industry. The region is the third most densely populated in the UK, with 398 people per square kilometre in 1984. In the same year, one in 20 of the population were of Indian, Pakistani or Bangladeshi ethnic origin, compared to one in 40 for Great Britain as a whole; the proportion rose to one in 10 in the former metropolitan county.

Regional Trends. 1986 edition: HMSO £17.50.

Dog race rules to be overhauled

By David Churchill

THE MONOPOLIES and Mergers Commission ruled yesterday that key regulations governing the UK greyhound racing industry – which accounts for almost £900m, or 5 per cent, of all gambling in Britain – restrict competition and operate against the public interest.

The commission, which has been investigating the industry for almost two years, wants the rules changed to allow greater competition between tracks that operate under the National Greyhound Racing Club (NGRC) rules and those which operate independently.

It believes such changes will provide more legitimate greyhound racing and prevent criminal betting frauds.

There were fears within the greyhound industry last night that the proposed rule changes were likely to lead to less effective control of greyhound racing and a fall in standards.

The Government has accepted the commission's report and conclusions and has asked the Office of Fair Trading to bring about the rule changes.

Greyhound racing in the UK has been controlled since 1928 by rules laid down by the NGRC. It licenses some 42 tracks throughout the UK which in total accounted for about 90 per cent of the 5m racegoers last year.

There are some 55 unlicensed tracks, which accounted for about 900,000 spectators, and which are popularly known as "flapper" tracks because of the practice of betting syndicates to try to distort the legitimate outcome of races held there.

Staff shortages 'cause VAT loss'

By David Brindle

THE GOVERNMENT is losing more than £300,000 value-added-tax (VAT) revenue every day through staff shortage, unions representing Customs and Excise workers are claiming in support of a demand for more jobs.

According to the unions, which want an additional 1,700 posts for VAT control and administration, at least £800m revenue collected by traders but not forwarded to the Exchequer has been written off since the Government took office in 1979.

The unions say the extra jobs would easily be self-financing. Using official estimates that each VAT control officer discovered an average £122,750 undeclared tax in 1985-86, they calculate that total savings of at least £170m a year, net of costs, would be achieved.

Mr Alan Duxbury, Customs and Excise section secretary of the Civil and Public Services Association, said yesterday: "There is £275m owed in long-term outstanding debts. We know who the traders are, but we just do not have the staff to go out and collect this money."

American visitors down 40%

CONFIRMATION of the sharp drop in US visitors to Britain came with the latest travel and tourism figures from the Department of Employment, which showed a 40 per cent fall in American visitors in May, compared with the same month last year, **David Churchill writes.**

May was the first full month after the US bombing of Libya and led to widespread cancellation of European holidays by Americans worried about the possibility of terrorist reprisals.

As a result, the total number of overseas visitors to Britain in May fell by 13 per cent in comparison with May last year. Total spending by overseas visitors in May was down by 7 per cent to reach £425m.

☐ **TWO OF LIVERPOOL'S** six stockbroking firms are to merge in the latest realignment of provincial brokers in the run-up to October's Big Bang reforms of the UK stock market. Edinburgh Financial Trust, the Scottish investment trust with assets of £23m, has also agreed to acquire for an undisclosed sum a 25 per cent stake in the new merged stockbroker, to be called Neilson Milnes.

☐ **DEBRETT'S,** for more than 200 years the world publishing authority on British aristocracy and royalty, is moving into the food business. It is the first time since the company was founded in 1769 that Debrett's has used its name for anything other than its own publications, but now it is to appear on a range of Scottish smoked salmon and cheeses, with more products forthcoming.

☐ **COMPANY** profits look worse than they are and should still grow by 16 to 17 per cent this year, according to stockbroker Phillips & Drew. The apparent decline in profits owes much to the collapse in stock appreciation, the broker says. It means little economically and has concealed companies' continuing sharply rising returns from UK operations.

☐ **GENERAL ELECTRIC** Credit Corporation, the financial services subsidiary of General Electric of the US, is to enter the UK leasing market through a new subsidiary called IGE Credit Corporation.

☐ **PROPOSALS** for stricter controls on estate agents' advertising boards, used to sell and let residential properties, are set out in a government consultation paper by Mr Nicholas Ridley, the Environment Secretary.

☐ **PLANS** for a national network of at least 100 employer-based groups responsible for ensuring that the education and training needs of industry are met at local level were announced by the Manpower Services Commission.

☐ **EXPENSIVE** litigation to defend its patents on hovercraft and other technologies cost the British Technology Group more than £1m last year.

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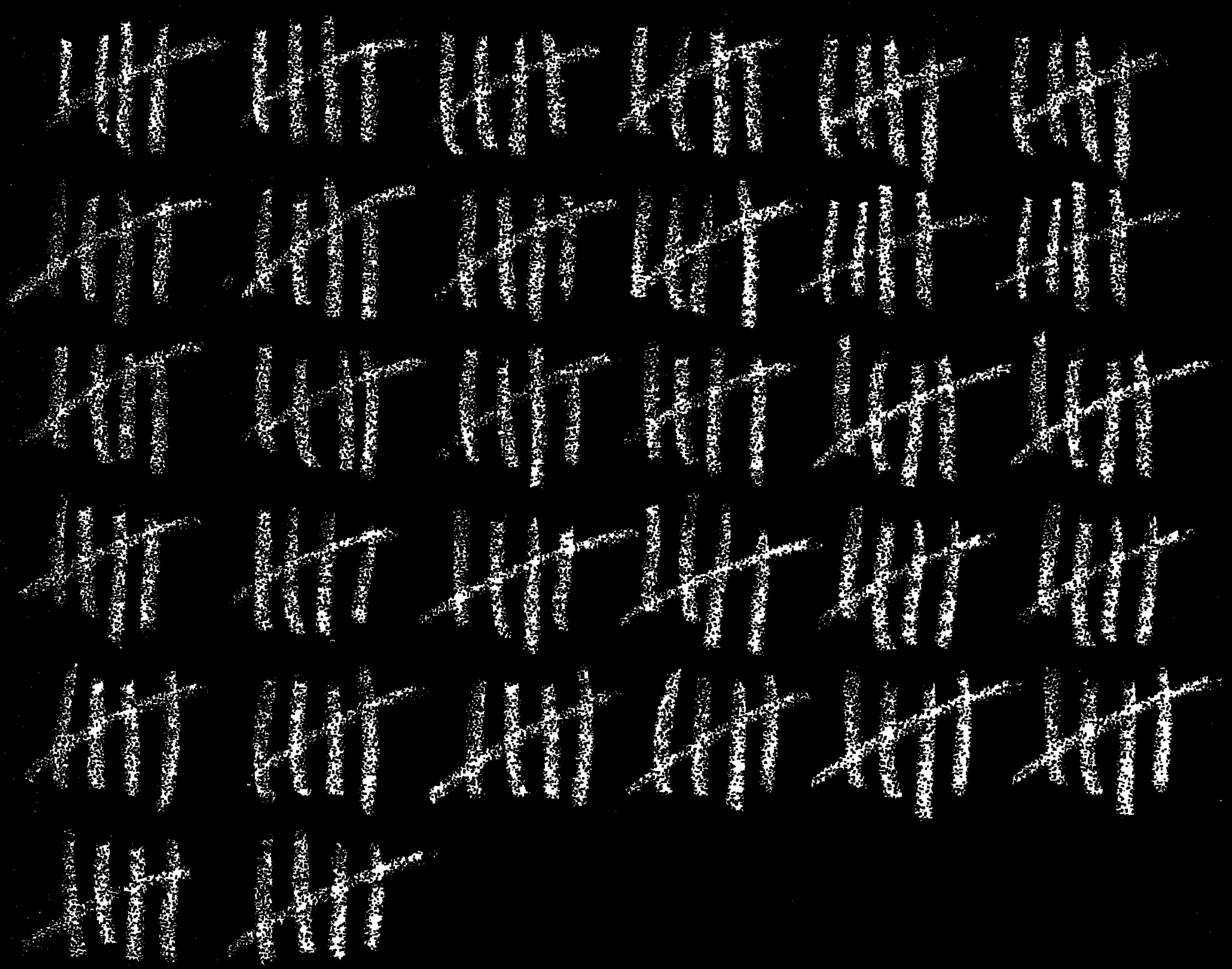
American
visitors
down 40%

This is how many System 12 exchanges are in service today.



And every working day we chalk up another.

Over 160, so far.

And with another one being added every working day (at least), know what this all amounts to?

It amounts to an extraordinary success for ITT's sophisticated System 12™ digital telephone exchanges.

Just consider. Some of Europe's most technologically-advanced PTT's looked carefully at the very best switching systems that the world's telecom manufacturers had to offer.

What they wanted was an absolutely state-of-the-art system. With the utmost in flexibility and reliability.

And in System 12, they found it.

Today, we've already cut over System 12 exchanges in Belgium, Denmark, Finland, West Germany, Italy, Norway, Spain and Turkey.

If you look around the world, well over *one million* lines have been delivered in thirteen countries.

And more are going into service all the time.

It all adds up to a true international success, and one that's growing every working day.

ITT

MANAGEMENT : Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

Independent radio

A ray of hope on the ad front

BY FEONA McEWAN

IT HAS been a fretful time for commercial radio in the UK. Precarious finances have led to changes of ownership, new alliances and rescue packages in the past couple of years. Total industry revenues dropped from £75.7m in 1984 to £72m a year later and (unusually) did not follow the recovery shown by television from its severe cold at the start of 1985. First quarter revenues this year showed a 5 per cent decline in real terms on the same quarter of 1985.

Radio's share of the advertising market has been slipping and is now down to 2.4 per cent of the total advertising cake compared with 2.8 per cent a year ago. By contrast, radio in the US, Canada, New Zealand and Australia manages well over 8 per cent. The Government's controversial plans for community radio and for an independent national network have deeply divided the industry, while its long-standing battle against what it sees as an unfair straitjacket of regulations, rages on.

Despite such a pessimistic picture, though, a wave of optimism apears to be rekindling industry spirits. There are a number of reasons for this.

For a start, new research into radio listening from JICRAR (Joint Industry Committee for Radio Audience Research), the first of its kind for two years, shows that independent radio has retained its position as brand leader over BBC Radio 1.

More important, more people are listening to more commercial radio. Audiences are up by 16 per cent to 20m people and the weekly reach is up from 42 per cent in 1984 to 45 per cent. Adult IR listeners are turning in to an average 12.5 hours a week compared with 11.8 in 1984. And there are promises of more regular data like this to help buyers and sellers know what they are getting.

It is notable that advertising demand in radio shows no obvious regional bias, unlike television where the south traditionally enjoys a bigger slice of the cake.

However, a review of the most sales-efficient stations for 1983-1984 reveals that of the top seven, five are Celtic (from Moray Firth in Inverness to Downtown in Belfast) with a heavy dependence on local rather than national advertisers.

A second reason for some optimism is that sellers of radio airtime (there are three sales houses: Broadcast Marketing Services, Independent Radio Sales and Capital) are showing more mettle. Tired of being the butt of industry criticism (Capital excepted), that they show too little aggression in marketing the medium and for an unwieldy method of selling airtime, they have served notice of changes to come.

Tim Delaney, creative director of Leagas Delaney and ardent believer in radio (he was behind the award-winning "Firrips" ads for Philips, among others) believes marketers of radio should concentrate on "selling the medium not the media." Instead of pushing it as cheap and fast, he favours stressing its value as an efficient builder of brand personality. "It shifts brand personality nearly as fast as television, and certainly faster than press or posters."

Agencies have long complained that the buying process is confusing (45 different stations offering different audiences at different rates sold by different bodies) and that it is hard for clients to know exactly what it is they are buying. Some media buyers even favour the idea of buying radio in television regions. Agencies, in turn, must carry the can for failing (with few exceptions) to treat radio seriously, often tacking it on to media schedules as an also-ran and treating radio as creatively inferior to the more profitable press and television.

Broadcast Marketing Services, which handles 22 stations, has announced an autumn initiative to beef up its sales force. Research had shown that there were fewer people in total selling radio in London than there were selling the smallest ITV contractor in the capital.

"What we need," says Mike Vanderkar, managing director of BMS, "is greater resources to sell the medium. With increased competition from breakfast TV and Channel 4 we have to be more aggressive, with more salesmen on the street and a greater emphasis on selling to the advertiser." The priority now is to win more advertisers. "We are not in the mainstream like press and television . . . and never will be. We haven't got to enthuse every creative writer in town, simply to sell the medium."

A third factor which could colour radio's fortunes is fresh blood in the form of an invasion from Australia. Three months ago, few people in radio had heard of Chalford Communications. Today this UK arm of a television company called Darling Downs, based in south-east Queensland, owns a hefty slice of the UK radio scene. It has substantial holdings in eight stations, including LBC, and total ownership of the IRS selling house which handles 22 independent stations.

Few observers doubt that this acquisitive company will stop there—the company will only say, "we have probably as much as we can handle now"—and while its arrival is greeted enthusiastically, canny observers are quick to recall the arrival of the Canadians in the mid-1970s and withhold judgment.

Behind Darling Downs is an investment company keen on media. "We see the opportunity for investing here," says Laurie Burrows, executive director of Chalford. "Radio is so undervalued and under-resourced in Britain. We find it quite incredible that stations aren't more profitable than they are."

Though the IBA can veto station share deals, and favours British control, such cash transfusions are hard to refuse.

The new head of IRS, just arrived from Melbourne, is Brian Mallon, former head of ParPlan, an Australian TV, radio and press sales house. Promotional plans and improved visibility are high on the agenda though the company is not keen to reveal its hand yet.

"There is no immediate panacea," he says. "Our emphasis is on selling and marketing, to increase national revenue for all the stations we represent. To do that we need to convince advertisers that radio is for them and works for them.

"At the moment there's a plethora of stations, with different rates and no relationship between rates at one station and another. I'm suggesting we make it easier to buy the medium by putting them together and selling regional packages. If you can say to a product manager: 'here is a marketing opportunity for you in this region,' he's more likely to use it."

Appreciative of the warm welcome from the business, he says: "Yes, that's great, but at the end of the day we need to get runs on the board . . ."

Ron Coles, managing director of the Association of Independent Radio Contractors and of Radio Trent (in which Chalford has an 18 per cent holding), views the Australians as "a breath of fresh air. They've seen opportunities to invest and this is leading others to look at the medium." Four other Australian groups are believed to be interested in investing in British radio.

Advertising prospects will be very bound up with the most significant development in radio lately—the Government's Green Paper. This aims "to look at radio in the round," according to its own brief and is due to report in the autumn. "It is a very important foundation for the next chapter of the industry in the UK," says Nigel Walmsley, managing director of Capital Radio.

A deer little dude bounces Babycham into the 1980s

BY LISA WOOD

IT TAKES a very brave marketing director to advertise his major drinks brand with the line: "So out it's in."

But that's the message in a new series of advertisements for Babycham, the sparkling perry launched onto the UK market more than 33 years ago. And the latest television advertisements for the brand present a 1950s-looking couple who ask for the drink in a trendy 1980s bar. At first they are met with derision but then a hip-looking individual orders a Babycham and the crowds follow suit.

"For some time we have understood that Babycham needed to have its image brought up to date," says Grey Oliver, marketing director of Showerings, a subsidiary of Allied Lyons, the food and beverage group. "The fundamental problem is that too many people believe the drink to be old-fashioned and not for them. Young people, in particular, are afraid to ask for a Babycham in a pub because they believe they are judged by what they drink."

Despite this perception, 100m bottles of the drink are sold each year. Three million people, of whom 40 per cent are under 25 years old, regularly drink it and it is stocked by 90 per cent of all clubs, pubs and off-licences. "We are trying to maximise sales rather than dig out an old brand," says Oliver. "And it is a drink right in line with the current trend towards sparkling light drinks."

Launched in 1952 the drink, aimed at women, was at its peak in the late 1960s with sales topping 125m bottles a year. The trough in sales, to well below 100m bottles, came in the early 1980s at a time when women — a growing sector of the market — were showing very much more interest in drinks such as table wine and cocktails.

However, as marketing men sought to advertise their drinks in a way to appeal to a more independent-minded woman, the cute, childish, cartoon of the Babycham deer did not change. Oliver says: "The drink was so profitable that Showerings saw it as a vehicle for building the company and there was little investment in the brand."

Showerings' latest marketing ploy includes a sharper image for its fawn, originally designed in the 1950s

A fresh look at the needs of the brand began in late 1982. "We understood that it needed more than just money put behind it," says Oliver. "We looked at the image, the packaging, promotion and the drink itself. Very few people realised that there was a dry as well as a sweet Babycham.

"It is still early days but quite a few changes have already been made. We have introduced new packaging sizes, including a 75 cl bottle and a 25 cl can. And we have re-presented the fawn and made him more mischievous and a bit more streetwise." Certainly on the new television advertisement he is quite a dude—with dark glasses and a bow tie.

Not that Oliver wants the imagery to be too locked into changes in fashion. "We aim to be around for the next 25 years and more," says Oliver, "so we do not want to be at the extreme of fashion."

Oliver says that according to market research, sales are up 20 per cent in the last 12 months on the previous comparable period. "We are seeing a clear response to the brand and we have not yet emphasised its qualities."

While Babycham is exported to over 70 countries, exports are still comparatively small. However, there is currently a major drive in several states of the US; Showerings is considering whether to take the major step of distributing the drink from coast to coast: "We are presenting it as a sophisticated imported pear drink," says Oliver. "We expect to break even in the US next year but for a brand to have a long term future you have to invest long term."

Missing out on a design opportunity

SOMETIMES British manufacturers only have themselves to blame. In the face of world competition, any opportunity to review the latest design talent emerging from the country's art colleges and design schools should not be passed by. Yet when the work from 100 training colleges was brought together for viewing in London under the one roof far too few took the trouble to turn up.

More than 1,000 companies, including manufacturers, retailers and interior designers were invited to view the work of nearly 1,000 newly graduated designers in an event believed to be the only one of its kind in the country.

The idea of the scheme, backed by House and Garden Magazine, is to simplify the process whereby industry meets new design talent. Traditionally each college puts on a show of its own work but companies rarely manage to cover more than half a dozen a year, says the schemes organiser, Peta Levi.

"The number of shows has been proliferating recently, so there is wasted time and effort. This is a free design resource which saves time and motion."

While about 1,000 people did turn up over the three-day viewing period at the Royal Institute of British Architects, it was significant, for example, that out of 75 furniture manufacturers invited only 10 turned up. Companies which did show willing included, predictably, retailing innovators like Next Interiors (which is considering five designs), Marks and Spencer, Laura Ashley, Storehouse, and Harrods Way In.

Others which showed an interest in new talent included Gordon Russell furniture (whose representative enthused about the tremendous amount of innovative talent and the return to the real values of furniture making), Tomkinson Carpets of Kidderminster (which is contemplating production of one carpet design on show) and Aspect Gallery of London, which is interested in eight designers (mainly furniture).

Hille Ergonom, Thomas Goode, Leeds City Gallery, Warner Fabrics, Stoddard Carpets, Seekers, Liberty, Stag Furniture, Kingfisher Wallcoverings, and Crownhouse Tableware also viewed the exhibition.

Products on view (some in prototype, most on slide) included textiles, furniture, lighting, floor and wall coverings and tableware.

The apparent reluctance of many manufacturers to cast their net more widely over the design industry has provided others with opportunities. For example, Design Marketing, a consultancy backed by Barings, the merchant banker, has taken on 10 of the designs on show and will set about marketing them among manufacturers itself.

Meanwhile, graduates themselves displayed a particularly widespread weakness. Those in whom interest was shown proved to have been badly equipped to promote their work.

Feona McEwan

TECHNOLOGY: Computing

BY ALAN CANE

How to keep jobbing if disaster strikes in the dealing room

Electronic dealing rooms will take on a crucial role when the London Stock Exchange abandons minimum commissions this October. Back-up will therefore be needed in case a trading system should run into problems.

THE DISASTER recovery room, already an established feature of the data processing scene, makes its debut in UK stockbroking this week.

A new company, Emergency Telecommunications Systems (ETS), backed to the tune of £400,000 each by the Royal Insurance group and builders John Laing, has been established to provide emergency cover for broking and jobbing firms.

It has a fully equipped and furnished dealing room which can be taken over at short notice by a firm whose own dealing room has been put out of action.

Over the past six years, a number of companies have been offering various shapes and sizes of emergency computer room—anything from a portable shell to a completely equipped suite with computers installed—but it is believed that the ETS initiative is the first in the UK dedicated solely to the stockbroking community.

With the end of minimum commissions in the City this October (an apparently minor modification to the way business is done but the consequences of which include the end of the distinction between jobber and broker and the end of any need for a physical trading floor) the electronic dealing room has become crucial to the success of the new markets.

Any disruption in dealing room operations could cost a company dearly. Most are taking such measures as installing "failsafe" computers or duplicating their equipment.

The automated quotations system (SEAQ), for example, the centrepiece of the Stock Exchange's own information network relies on three separate Digital Equipment VAX computers, each in a separate location.

Many member companies, however, will not be able to afford such extensive back-up facilities, and for these, the disaster dealing room must seem attractive insurance.

Mr Paull Robathan of ETS believes the disaster recovery room will have five other functions.

- First, it will provide an overflow facility for companies which are expanding their business faster than their own dealing room facilities allow.
- It can serve as a "staging post" for companies moving from one system to another.
- It will allow firms to test out new systems in safety before installing them in their own dealing rooms.
- It can be used for training dealers and dealing room staff in surroundings removed from the hurly-burly of the market place.
- The room can also be hired by systems suppliers for demonstrations of their equipment to Stock Exchange member firms.

A last feature, working to the advantage of ETS itself is that it gives the company the chance to show off its dealing room design skills.

The service will not come cheap. The company eventually hopes to be able to offer two separate rooms, each with 60 dealing positions. The first is expected to be in operation by the end of the year.

It will cost each client £15,000 annually for each "primary" position — a desk somewhat tailored to their own special needs.

Secondary desks offering standard facilities come at £7,000 a year.

The expectation is that clients will buy the guaranteed use of a dozen or so desks. Dealing rooms are, however, obsolete almost as soon as they are finished. ETS has calculated its premiums on the basis that all the communications and computing equipment will be renewed every three years.

Life still left in computer language from the Pentagon

HAS ADA, the US Department of Defense's (DoD) computer language for tomorrow's defence systems, a real future? And if so, have UK software companies a place in that future? The answer to the first question is almost certainly yes. With the DoD behind it, it is hard to see how it can fail.

The answer to the second question seems also to be yes: two months ago Systems Designers (SDL) signed an agreement with the US minicomputer giant Digital Equipment (DEC) which should give it pole position in the race to exploit the language's commercial potential.

Yet one could be forgiven for thinking that Ada had already sunk without trace. Almost ten years after the DoD agreed a specification drawn up by a Honeywell-Bull team, led by the French software genius Jean Ischbiah, activity is, to say the least, muted.

"You would have thought the big US corporations would have done it all by now" says Mr Geoffrey Holmes, a founder director of SDL. "None of the major manufacturers apart from DEC has a sensible Ada strategy and we are only now beginning to see actual evidence that Ada 's big business."

Ada, named after Lady Lovelace, assistant to the early computer scientist Charles Babbage and usually described as the world's first programmer, is a bold attempt by the DoD to rationalise its software effort and cut its costs.

In the mid-1970s, when it started the Ada initiative, it was spending some $30bn a year on software, most of it on supporting and maintaining over 400 separate languages.

As Mr Holmes points out, if it had standardised on *any* languages it would have saved money and improved its effectiveness.

But it set up an international competition for private industry to develop prototypes for a new, standard language.

Ada was the result. Its comparatively slow penetration seems to have been the result of two factors. First, it is a complicated language which has proved difficult for software developers to work with. Second, most defence systems last some 20 years or so; systems now in development use conventional languages like Fortran or Pascal and those languages will remain in position through the life of the system.

SDL, for example, which specialised in the UK Ministry of Defence's own real-time language, Coral is still selling it after 15 years.

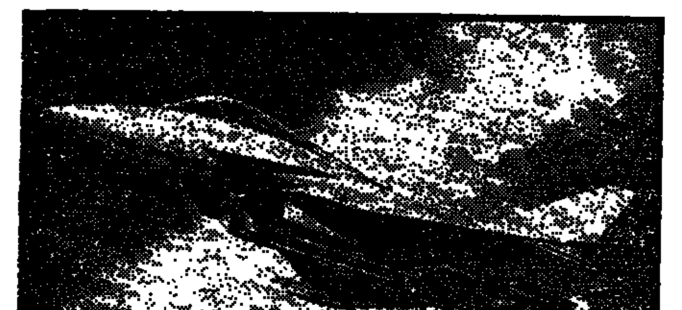
Only a handful of firms are producing Ada software in addition to SDL and DEC. They are Verdix, Telesoft and Rational Machines of the US, Alsys of France and the Danish company DDC.

The SDL compiler is based on work carried out by Systeam KG and the University of Karlsruhe. The machine code generated by the compiler is used typically in defence applications to program embedded systems, microprocessors buried inside complex electronics such as navigation or communications systems. They are large, have to be ultra-reliable and are difficult to test using conventional means—there is no operating system, video screen or keyboard.

Cross-compiling is the answer. The software is compiled on a powerful minicomputer, typically a Digital Equipment VAX, and transmitted down a communications line to the embedded system.

DEC already offers a well regarded Ada compiler which makes it possible to run Ada applications on a VAX. The collaboration between DEC and SDL is aimed at the development of a compiler which will run on a VAX, but generate machine code for a range of microcomputers including the Motorola 68000 family.

Both SDL and DEC are investing heavily in the project, driven by estimates that the Ada market will be worth $10bn annually by 1990.



Computer languages like those used on the British Aerospace Experimental Aircraft Programme are likely to stay in position for some 20 years.

Buy-out seeks to exploit DEC potential

IT TAKES special kinds of software to turn a computer designed for scientific and technical work into a commercial machine.

Schroder Ventures, the venture capital arm of the British banking group, has just invested over £500,000 in a new UK company developing and marketing one of the most important pieces of this kind of special software for the DEC VAX range of machines. The UK Department of Trade and Industry has granted the company a further £70,000.

The software is a teleprocessing (or transaction processing) monitor, a set of programs which control the way in which messages and inquiries from remote terminals are handled by a central computer.

The new company is called Performance Software; formerly part of Systime Computers of Leeds, it has been bought out by current and former staff of the company.

Systime was one of the first UK companies to realise the potential of DEC minicomputers for commercial data processing and to develop software specifically to exploit that potential.

Systel, its teleprocessing monitor, was designed by Ian McNeil, Systime's former technical chief and now a non-executive director of Performance Software.

It has a sound reputation for speed, performance and integrity.

There are some 50 customers worldwide including British Petroleum, British Telecom and Acadi, a consortium of Paris stockbrokers, which has a dozen separate copies of the software.

Systime, now a subsidiary of Control Data Corporation of the US, decided earlier this year after a serious of bruising disagreements with DEC to pull out of that part of its business.

Performance Software, under Mr Tom Hankinson, managing director, has acquired the worldwide rights for the product, responsibility for all the versions already installed and technical staff associated with the software.

According to Mr Hankinson, the first objective is to improve overseas sales, standing at present at only 30 per cent of output. He thinks the North American market is especially important and intends to sell there through distributors who would be able to maintain and support the product.

The system is now over six years old, but every line of computer code has been rewritten over the past three years, Mr Hankinson says.

It can cost from £5,000 for a microVAX system to £75,000 for the largest VAX minimainframe. Such a system can support more than 500 terminals without degradation in performance.

The development team is now working on multiprocessor and networked versions.

Amstrad ready for attack on PC market

THE FINAL segmentation of the personal computer market into low cost commodity products and sophisticated professional systems is now taking place as a raft if manufacturers announce machines that are functionally compatible with the IBM PC—the industry standard—yet costing less than £500.

The most interesting of these seems likely to be an offering from Amstrad, which has already caused a furore in the word processing market with low-cost, full function machines which have proved best sellers.

This week Microscope, a well regarded trade newspaper for microcomputer dealers, will publish full details of the new Amstrad machine, six weeks before what most observers believe will be the official launch date.

According to Microscope, the computer will be called the PC1512; there will be four models selling for £399, £499, £549 and £649, depending on specification.

They will all use the Intel 8086 microprocessor chip which powers IBM's basic personal computer model.

The machines, all with 540,000 bytes of read-and-write (RAM) memory expandable to 640,000 bytes, will use Microsoft's MS/DOS 3.2 operating system (the essential software which controls the internal operations of the computer) and Digital Research's GEM software which provides screen "icons" and pull-down menus like the innovative Apple Macintosh.

The computers will come complete with mouse (screen pointing device) video monitor and serial and parallel ports. Unlike the Amstrad word processors, a printer will not be included in the basic models.

Microscope estimates that Amstrad is planning to sell 600,000 of the machines by September 1987, roughly five times the number of IBM PC's sold in the UK last year.

The launch of the Amstrad machines is likely to drive prices for standard personal computer software further downwards below the £100 mark.

The significance of the Amstrad launch is the way it reinforces the division of the IBM PC personal computer market into low cost, simple machines which are chiefly expected to be bought by small businesses and home users, and the expensive, high powered machines now finding favour in the big corporations.

IBM has already made it clear that it has no intention of competing on price in a commodity market place. It already reckons to be the lowest cost producer of personal computers; its price of £1,475 for a twin floppy drive, 256K RAM system reflects its pricing policy rather than a competitive strategy.

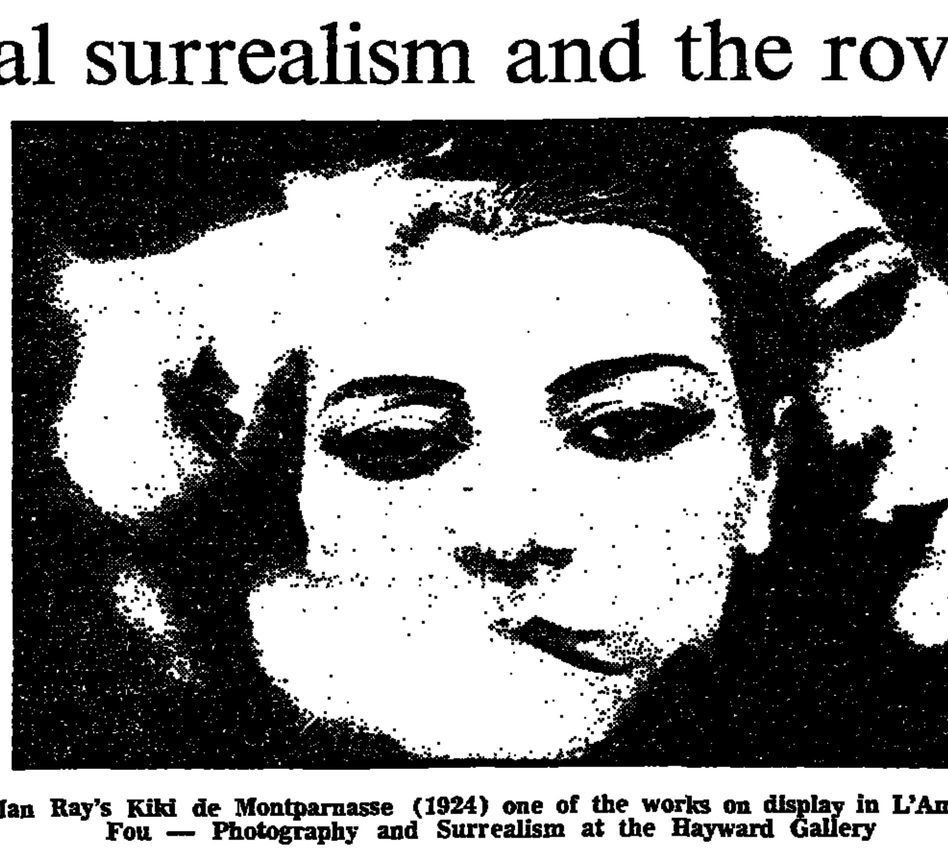
THE ARTS

London galleries/William Packer

Sensual surrealism and the roving eye

Surrealism, rather like certain other things, would seem to lie quite as much in the mind of the beholder as of the artist. To judge by *L'Amour Fou*, the exhibition of surrealist photography which the Arts Council has brought over from the Corcoran in Washington to share the Hayward with those more bucolic *rêves* of the Nordic painters (until October 5), what an elegant and gleefully dirty mind it so often is.

This is not at all to take exception to it. With its enthusiastic address to the principles of Freudian analysis, constantly teasing and insinuating its way around ideas and images of innate, unconscious sexuality, how could it be otherwise. The more bizarre and arbitrary the conjunctions, or extravagant the play of technical experiment with its automatic harvest or fresh images, the better. And here, as we would of course expect, are the photo-collages, the montage compositions, the light drawings, Rayograms and negative images. And here too are the studies of the nude, now abstracted, now by their anatomical clarity intended so to *shock as to drain all shock* away. We should not forget, in this connection, that the susceptibilities of an earlier generation might have been less blunt than our own.



Man Ray's Kiki de Montparnasse (1924) one of the works on display in L'Amour Fou — Photography and Surrealism at the Hayward Gallery

The mistake however is to be drawn into too literal and obvious a reading of this mass of work. It covers more or less the three decades from the 20s to the 40s, and the first thing to acknowledge is the quality of wit, in both formal and subjective terms, so much of it displays. A great deal is actually very funny. The second: its historic material quality, by which it now sits at a distinct remove from us, is perhaps more problematical. Who is not to say that the imagery, in all its various and potent suggestibility, was not seen by the artist photographers themselves as the principal agent of surrealist shock and imaginative *frisson*? But for us, as the work recedes into the past, is it not the period flavour itself which is now so potent? Certainly the images and techniques alike are endlessly familiar, the commonplaces of all the media of mass communication, film and television, advertising and magazine.

And these thoughts bring us back to the works not as images and references to other things, but as physical objects and presences in themselves. Their scale and the quality of their definition, the feel to the eye of the paper on which they are printed, all take on a peculiar significance as the very stuff of surrealism. An intensity of vision and clarity of definition quite as much as any *mise en scène* are what confer the essential, defining quality of surrealism upon the work. We realise that surrealism as such is a matter rather more of substance than mere style.

The point is made with a nice irony by two artists who each achieved considerable distinction in the field of fashion photography, Man Ray who is indeed the star of the show, and Horst P. Horst. Working with Salvador Dali in 1939 on the costume designs for *The Dream of Venus*, Horst gives us a seated girl blindfold and clothed, if clothed is quite the word we want, in little but a lobster and pendent oysters. But the image has such singularity in its presentation that it goes quite beyond the mere details of garnishing to achieve a true monumentality, an authentic icon of surrealism. And Man Ray, always so free and radical in his experiments, is at his most consummately surreal in the least contrived of his images, a nude or two and in particular a couple of fashion shots of women's hats in 1933, heads down, eyes averted and all as clear as bells.

The contrast with a photographer such as Cecil Beaton, whose life's work we have lately seen at the Barbican and who first flourished in this period, is marked. For Beaton made himself prominent by exploiting surrealism as a style to admirable effect, with great wit and sophistication, yet never once was able to take it beyond style into the condition of true art. Man Ray was an artist in everything he did, even in his most practical and commercial operations.

Meanwhile, at Anthony d'Offay (until August 22), Andy Warhol, who some might think in sort a latterday surrealist, is showing a suite of recent self-portraits, executed by his familiar processes of photographic images silk screened onto canvass, some of them nearly 9 feet square. Warhol too is nothing if he is not a stylist and was no doubt a window dresser of genius in his early days in that recondite trade. In the 1960s, a time over-preoccupied with style and ever likely to confuse the shadow for the substance and the time too of his first *notorious success*, he actually managed to produce what still stands as the definitive icons of the age, commonplace, colourful, immediately arresting and utterly vacant.

Such vacancy he would no doubt quite reasonably suggest is indeed their point, the paradoxical substance of the exercise, and though he has cultivated his inscrutable celebrity ever since with what we can only assume to be some private relish, he has never claimed more for his work than that it is what it is. The simple manipulation of given images that are already in some sense common property, the faces of Marylyn Monroe for example or Elizabeth Taylor or Mao Tse Tung, by the judicious application of a few bright colours does in a curious way succeed in both confirming their essential universality and making them once again unique and special.

Many of these refreshed images are powerfully memorable and even beautiful. But now he has tried something of the magic on himself, if somewhat indirectly by the use of the ambiguously apologetic device or *caveat* of a kind of camouflage, that moves across rather than points his unmistakeable features. The application is crude, the choice of tone or colour arbitrary, the results questionable. The easiest thing to say is that at last he gives the game away. But of course . . . .

Tancrède/Aix-en-Provence Festival

David Murray

A street in Aix-en-Provence bears the name of the composer André Campra, who was born in the town but pursued a distinguished career in Arles, Toulouse, Paris and finally Versailles. He was of the generation after Lully, and keenly interested in the lyric stage; as a church musician, however, he felt it prudent to have his first opera-ballets appear under the name of his cellist brother Joseph. This summer the Aix Festival has done him proud, with an elaborate production of his "tragédie lyrique" *Tancrède* and performances of his Requiem in the cathedral of Saint-Sauveur where he was a choirboy.

The tale of Tancrède, like Monteverdi's *Il Combattimento*, stems from Tasso. Monteverdi's faithful setting, spare and powerful, was of another age; 18th-century opera-ballet required more opulent stuff, and the unlucky Tancredi and his Clorinda were duly decked out with extra would-be lovers, evil magicians and symbolic figures. The theatrical genre is difficult to reproduce now, though Lina Lalandi's English Bach Festival has given us some brave essays, with decorous period dance.

So much of *Tancrède* calls for dance and extravagant spectacle that the producer Jean-Claude Penchenat has not pretended to stage an historical replica, which might have looked merely quaint. Instead he has paid generalised respects to the period, while taking modern advantage of décors, lighting and a lively team of *comédiens danseurs*. Grand-manner posturing and gestures are expected from everybody, and accomplished with a panache one couldn't expect from any British opera-cast. Some of Penchenat's inventions are happier than others, but without doubt he has brought *Tancrède* to plausible, fanciful life.

Campra's score is polished, amiable, cunningly varied, occasionally poignant; the best of it is in the accompanied recitatives, which sometimes rise to the freedom and power of the older Italian masters. Jean-Claude Malgoire conducted La Grande Ecurie et la Chambre du Roy (as he did in the Requiem too) brightly and enthusiastically, with more tenderness in the slower music than one had expected. The superb choir was Harry Christophers' The Sixteen (their name discounted their actual number for the Festival, where they were also the whole chorus for *Idomeneo*).

Young François Le Roux, much in demand these days, was a personable, eager hero. He is billed as a bass, but that seemed to be his least developed register; perhaps the furious flinging-about to which the magicians subjected him, while he sang upside-down, took its toll on his last anguished monologue. Clorinda was Daphne Evangelatos, a shiy warm personality with a cultivated contralto, very touching as the Saracen Amazon dismayed at finding herself in love with a Crusader. More forward delivery would be a bonus and her French sounded less fluent than her Latin in Vivaldi for the cathedral concert.

Pierre-Yves Le Maigat was a solid senior Saracen, and as various mythological creatures Colette Alliot-Lugaz looked lovely and sang exquisitely. The American Gregory Reinhart was a towering magician with a presence to match his rich bass and his fantastical gear. Herminie, lovelorn and extraneous, was charmingly sung by Catherine Dubosc, who also gave an admirable recital in the Saint-Sauveur cloister—a superlative account of Berg's 7 Early Songs included, with Louis Langree a fine, imaginative accompanist.

In the magician's retenue, La Vengeance was sung — and danced, with some elegant recorder-playing thrown in too —by that strange elf Dominique Visse. His pungent, eloquent *haute-contreè* conjured up an antique musical world. He was no less of an asset in the Requiem, a noble, dignified work with a sumptuous Offertory and Sanctus.

London Sinfonietta/Albert Hall

Max Loppert

The Italian theme winding its way through the 1986 Proms schedule received on Tuesday night one of its most shapely and satisfying exemplifications. The London Sinfonietta under Andrew Davis traced out a set of 20th-century images of Italy —none of them an innocent tourist's eye-view, each of them a calculated contrast, with Stravinsky and Henze (non-Italian both) re-examining different portions of the Italian past and Dallapiccola (one of the country's leading 20th century creative figures) presenting a bleak intimation of its present. All the music was beautiful; as a programme it "added up."

It was not all Italian, though. Tippet's Concerto for Orchestra, placed at the concert's centre-point, resolutely marked out a separate musical territory (even if in this company one was encouraged to think of its starkly differentiated instrumental sound-groups almost as *cori concertati* of distant Venetian descendancy).

For ideal appreciation, however, the concerto probably requires drier acoustics. In the opening movement the usually crystalline tracery of distinct lines seemed at first to have gathered a hint of aural fuzz; likewise, the slow-movement accumulation of dense, muscular string polyphony sounded rather more laborious than it usually does in Sinfonietta performances. For all that, the secure virtuosity of the players, and the spring and bounce of their rhythmic attack, ensured that the inner logic of the whole work seemed at once as surprising and as inevitable as it should.

For the rest, Stravinsky's reclamation of Gesualdo and Pergolesi (the classic Sinfonietta account of the *Pulcinella* Suite) framed the programme, and Dallapiccola and Henze provided its vocal movements. Dallapiccola's *Preghiere* (1962) is a late work, and a sombre one: the first of the three chosen poems prays for clarity and concision from "darkness - enshrouded life," and the music achieves exactly that fraught balance of opposed qualities, with the pithy yet luminous lyrical concentration that was perhaps the Italian composer's most notable gift.

The baritone was Stephen Roberts, in fine voice—subtle and smooth at low dynamics and in the lower ranges, brave when expanding into the more impassioned pleas of the second and third songs. He badly needs to sharpen his Italian diction; in Henze's Five Neapolitan Songs, sung in dialect, the need was even greater, yet the singing was so accomplished and pleasing to hear that the intricate sympathies of the pieces were elucidated in full. The difference between Andrew Davis the watchful, pointful, keenly involved Sinfonietta conductor and Andrew Davis the jet-set conductor of routine big-orchestra concerts remains as startling as ever.

Annie Get Your Gun/Aldwych

Martin Hoyle

Annie Get Your Gun was one of the wave of Forties American *musicals that brought colour* and vitality to the austerity of post-war Britain. But while Rodgers, Hammerstein and Agnes de Mille made great play of furthering the drama with a fusion of song and dance, Irving Berlin contented himself with the simple story of boy-meets-loses-and-regains-girl with a show - business background and a string of marvellous songs.

David Gilmore's new production was well-received at Chichester. It arrives in the West End redolent, it must be admitted, of resources more limited than ideal; and looking and sounding very English and very provincial.

The slightly plodding pace is not helped by use of the 1966 revision, shorn of the sub-plot for romantic youngsters with the charming duet, "Who do you love, I hope." Instead we have the forgettable "Old fashioned wedding,'" two moods and melodies combined rather too much like the same composer's successful formula in "I hear music" from *Call Me Madam*.

This production's chief asset is Suzi Quatro's Annie. An ex-rock and roller, she is almost too muted to begin with; rueful, humorous, gawky and gentle as the sharp-shooting tomboy, she grows in confidence and truth throughout the evening. I suspect she is an intuitive actress, absolutely honest and straightforward. If she lacks the all-demolishing attack of the role's creator, Ethel Merman, she has the requisite attractive husk in the voice to make one realise what good torch songs the smoochier numbers—"I got lost in his arms," "They say it's wonderful"—are.

Roger Glossop's set, transplanted from Chichester's revolve, swivels effectively, notably from pullman car to show-booths, and from cattle-boat to ballroom. Deirdre Clancy's costumes are more happy with *fashionable bustles than the* fetching pastel shades sported by some of the cowboys. The musical arrangements (David Firman) provide a Cellophane gift-wrapping that the songs hardly need. The rather tepid temperature is raised by a big routine number in "I got the sun in the morning" which gives some indication of what might have been. Had Miss Quatro let rip more often she might have lifted the show; or possibly just left the others further behind. "Show business? What's show business?" asks Annie in the most famous cue in musicals. Well, it has more zip, zing and zest than this. Luckily the songs survive.

Alastair Muir

Edmund Hockridge as Buffalo Bill surrounded by members of his Wild West Show

Book review/Ronald Crichton

Lifting the veil on Rossini

Rossini
By Richard Osborne. Dent, Master Musician Series, £14.95, 330 pages.

Rossini's belated arrival in the narrowing fold of the Master *Musicians Series does not come* a moment too soon. Many listeners to recent revivals and recordings of operas once regarded as dead as dodos would have profited from the guidance of Richard Osborne's concise, positive, comprehensive, scholarly and stimulating study—the first "life and works" in English (Weinstock's rich pudding of a book is primarily biographical) for about 50 years.

The English still do not quite know what to make of Rossini. They smile indulgently at the overtures and guffaw through the buffo operas, yet he riles the scoutmaster sleeping still in every decent English bosom. One never knows—one may suppose they grumble — what the fellow is up to. Why can't he say if he is being frivolous or serious? At times you might think he was mocking his public. Then he was lazy. Was it not Rossini who, dropping a sheet of *The Barber* while composing in bed (in *bed*, mark you), preferred writing it out again to getting down and retrieving it?

Mr Osborne's clear way of writing is nearly as detached as his model's but without Rossinian ambiguity. He deals firmly with the taunt of laziness and other foolish canards, admitting a *streak of indolence* (a sin Rossini could portray admirably in music) while insisting roundly that he was "one of the most industrious and at the same time one of the most emotionally complex of 19th century composers." And he proceeds to discuss the music as freshly as though clouds of stuffy dust had never settled on large tracts of it.

Between life and works, Mr Osborne inserts as pivot a short "entra'acte" in which the approach to Rossini's work as a whole is succinctly considered. Like the preface, this is essential reading. He can tell one much in little space without one realising it. I thought I knew the *Petite Messe* fairly well but was surprised going back to it, to find out how much this book had sharpened my perceptions.

Intensely enjoyable Rossini may be, but not foolproof. There is a problem, hard to define, a *sort of* extra dimension. He was a man of the theatre to his finger-tips and at his best a true musical dramatist. There remains the music itself, demanding in a peculiar way to be considered as it were in parallel to situation and character—those sad Schubertian undertones, that Beethovenian radiance produced in un-Beethovenian circumstances, that intimate fusion which "seems to feed classical and romantic sensibilities with equal ease." The "lazy" man studied hard and well, yet no amount of Haydn and Mozart in the background will fully *explain those changing moods*, those shadings of melody, harmony and instrumental colour slipped in perhaps for his own and a few friends' pleasure. Rossini demands, and is seldom accorded, close attention. He is exhilarating, not relaxing.

In short, shapely chapters the successive phases (including the important Naples years) are mapped out. Mr Osborne is helpful on the semi-serious operas (*Tancredi*, *La gazza ladra*, and *La donna del lago*, for instance) most in need of wider circulation, on the musical monuments leading up to Rossini's conquest of Paris with *Guillaume Tell*, on the sacred music and the variety of beautifully constructed musical toys (more like time bombs, some of them) scattered in Paris during the last years, when pompous people pretend he wasn't composing at all.

He is good, too, on the neurotic, greedy, witty, formidably experienced, *delightful* master himself, and his two very different wives, Isabella Colbran and Olympe Pélissier. He does not forget the sacred monsters of song—Garcia, Malibran, Pasta, Nourrit, Patti, so closely bound up with Rossini's music.

The old Master Musicians *format*, with chronological tables and biographical notes, remains.

The new hard cover, churchy blue, in place of the familiar dark green and silver, is horrid. There is a peppering of misprints. But I am sure we shall be using Osborne's *Rossini* for a long time to come.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Exhibitions

July 25-31

WEST GERMANY

Düsseldorf, Kunstmuseum, Ehrenhof 5: Otto Pankok (1893-1966). The Passion: 60 huge charcoal drawings by the German expressionist covering 1933-34. Ends Oct.

BRUSSELS

Ghent: Chambres d'Amis, 51 international artists showing in 51 private houses. Tickets, map etc from Modern Art Museum, Ghent (091/21 17 03). Ends Sept 21.

PARIS

Mediaeval art in Paris: The abbots of cluny built their magnificent late gothic town house in the heart of the Latin Quarter on three blackened ruins of Roman baths. Now a museum, it houses mediaeval works of art: goldsmith's work, carved altar pieces, ivories, fabrics, with two English royal standards embroidered in gold on red velvet. In a rotunda of its own is a set of the Lady and the Unicorn *mille fleurs* tapestries – an allegory of the five senses, one of the masterpieces of mediaeval art. Musée de Cluny, 6 Place Paul-Painvevé, Métro Odéon.

SPAIN

Madrid, References and Identities. An encounter of prestigious international artists welcoming the inauguration of a new art centre in Madrid: Centro Reina Sofia, Santa Isabel 52. Ends Sept.

LONDON

Hayward Gallery: Dreams of a Summer Night – an exhibition of painting at the turn of the century in the five Nordic countries, organised by the Arts Council and the Nordic Council of Ministers. It proves to be an important and intriguing exercise in critical reassessment, for though many of the painters enjoyed a certain contemporary fame abroad, they were with one great exception all but forgotten in the years after the first world war. Ends Oct 5, then Düsseldorf and Paris.

ITALY

Venice: Palazzo Grassi: Futurism and Futurisms: Fiat opens its art centre on the Grand Canal with the largest exhibition to be devoted to the Futurist Movement, a movement born in Italy, and the first to exalt technology, and to try to convey speed on canvas. More than 300 works have been lent. Ends Oct 12.

NETHERLANDS

Utrecht, Catharijneconvent. The legends and facts surrounding the life and voyages of St Brendan, the 6th-century 'Irish Odysseus', are examined with the aid of fancifully illuminated manuscripts and early printed books. Ends August 10.

WASHINGTON

National Museum of American Art: 68 Pueblo Indian watercolours from between the world wars recreate the ritual animal dances among other disappearing tribal customs. Ends August 17.

NEW YORK

Museum of the City of New York: Arbit Blatas's paintings, drawings and sculptures of Three Penny Opera covering 12 scenes and 11 characters, were inspired by the historic Theatre de Lys production in 1954 starring Lotte Lenya. Ends Oct 15.

Stoke's theatrical milestone

The New Victoria Theatre, Stoke-on-Trent, the first purpose built in-the-round theatre in Europe opens its doors to the public on August 9.

Brainchild of Victoria Theatre director Peter Cheeseman, himself influenced by George Divine and Stephen Joseph, building work started on the Stoneyfields site in May 1984, funded by grants from the Arts Council, the City and Borough of Stoke-on-Trent, and the Vic Appeal. Until now the theatre has been housed in a converted cinema, under Mr Cheeseman's direction since 1962.

The policy of the theatre is to put on ten new productions annually, many of them premieres. The new season in the New Victoria Theatre will open on August 13 with a new play by local playwright Arthur Berry, *St George of Scotia Road*.

Other productions, which play in repertoire with *St George of Scotia Road*, will be Goldsmith's *She Stoops to Conquer*, opening on August 20, *War Pictures by Tony Perrin*—which was joint winner of the Mobil/Royal Exchange Theatre playwrighting competition — on September 24, *King Lear* on November 5 and *Alice's Adventures in Wonderland* together with *The White Rabbit*, two separate plays adapted from Lewis Carroll by Christopher Martin, on December 10.

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Thursday July 31 1986

Concerted action

THE BUSINESS of the group of Commonwealth leaders assembling in London this weekend is not whether there should be further economic measures against South Africa. It is what the measures should be, how they should be applied, and when.

Britain is associated with two sets of proposed measures: those put forward by the Commonwealth Conference in Nassau last October and a shorter list outlined by the meeting of the European Council in The Hague last month. The British Government has twice tried to buy time in the hope that there would be sufficient progress towards reform in South Africa to render further sanctions unnecessary. This approach has failed. Sanctions cannot be guaranteed to produce political reform in South Africa but they may have a better chance than a diplomacy which has proved fruitless. An unmistakable signal from a united international community is now essential.

That should be the starting point for the Commonwealth meeting that opens on Sunday: Britain accepts the need for further action in the very near future. Provided Mrs Thatcher can convince the other Commonwealth leaders of her sincerity about that aim, there could then be a serious and constructive session.

The details and the timing matter. At present the Commonwealth and the European Community are running on different schedules. In practice the Commonwealth deadline, established in Nassau, is already up with the failure of the Eminent Persons Group. The Europeans set a deadline of around the end of September. The Americans, who must be one of the principal participants in any programme of extended sanctions, are probably working more to the European than to the Commonwealth timetable. One of the first tasks of the Commonwealth meeting will be to agree on synchronisation: effectively that means an international plan of action by early October at the latest.

Mandatory ban

The Commonwealth meeting will also have to discuss which additional measures should be taken and whether they should be mandatory: that is, binding through a resolution of the United Nations Security Council. The two questions should be taken together. If, for instance, there is to be a ban on direct air links with South Africa, as is suggested in the Nassau list, it will make no sense if it is not mandatory. Too many countries might defy it and airlines which obeyed it could be subject to endless law suits for breach of contract. A mandatory ban is the only practical way of achieving near universal observance.

Since the halting of direct air traffic is one of the sanctions that would have an immediate impact on South Africa — and more especially on the rich and influential whites rather than the poor blacks — the case for the mandatory approach is very strong. The same goes for new investment. It is true that there is very little of it at the moment for obvious economic and political reasons. But the way to show that the outside world is serious and to prevent the entry of predators would be to make the ban mandatory.

Other measures will be discussed such as the ban on the import of agricultural produce from South Africa (on the Nassau list) and of coal, iron and steel (on the European list). Such bans would be very difficult to monitor and could have a disproportionate effect on the black population as well as the neighbouring states. Yet they are on the agenda and it would be undiplomatic of Mrs Thatcher to seek to pre-empt debate.

Best position

One crucial matter has still not been discussed nearly enough: that is the effect of South African retaliation on its neighbours. It could be brutal, as past experience has shown, taking the form of destroying their means of communication. An aid programme for the front line states will have to be ready before further sanctions are introduced.

There is the question of monitoring progress once sanctions are in place. The Commons Select Committee on Foreign Affairs has already offered to do this. There is no reason why there should not also be a Commonwealth group: perhaps the foreign ministers of the seven countries who are meeting in London. For the purpose of sanctions is that they should be flexible: to be eased or reinforced depending on what happens. Not least, as the select committee suggests, there might be a plan for aiding South African blacks if and when the political situation makes it possible.

Taken together, here is a plan for concerted action. The country in the best position to play the leading role is Britain.

Labour's dogmas on industry

SINCE Mr Neil Kinnock became Labour Party leader, he has striven to replace obsolete party dogma with attitudes more attuned to political and economic reality. But Social Ownership—A Vision for the 1990s, the party's proposals on industrial policy, is a setback for his efforts. It amounts to little more than an untidy re-packaging of well-worn merchandise.

True, there are some new flourishes: a formula for re-nationalising British Telecom, and possibly British Gas, by issuing non-voting securities in place of privately owned shares; a proposed national investment bank; pledges to give more say to both consumers and employees; and, of course, the social ownership slogan.

There are also some sensible suggestions for changing the framework in which nationalised industries operate by applying more consistent and uniform accounting rules and by giving them greater freedom from Treasury curbs on the financing of long-term investments.

Lame ducks

However, these are all peripheral to reaffirming the party's Clause 4 commitment to wide-ranging public ownership and state control of industry. Though calling for a more selective and flexible approach than simply "nationalising the top 200 monopolies," the document is adamant that the state must have the power to override the commercial judgment of managements in "strategic" industries.

Its attempts to explain how the economy would gain from nationalising successful companies operating in competitive markets rarely rise above breathless rhetoric. Nor is the case helped by much of the specific evidence offered in its support. The BL motor group (now Rover) is paraded as a triumph of social ownership in action. Inmos, the struggling microchip company created by the last Labour Government and now owned by Thorn EMI, is improbably applauded as a world industry leader.

The document acknowledges that public ownership has failed in the past but then commits Labour to making many of the same mistakes all over again. After arguing that the policy was used too often as a recovery ward for lame ducks, it goes on to name BL, steel and shipbuilding as priority cases for nationalisation.

There are certainly grounds for questioning the privatisation of natural monopoly utilities such as gas, electricity and water supply, particularly when policy is heavily influenced by the Treasury's cash needs. The danger is that wooing investors takes precedence over satisfying consumers.

But once in the private sector, they are better controlled by tough independent regulation than by re-nationalisation. This is particularly true of British Telecom. Much of its business is still a monopoly. But the fastest-growing parts of it, where telecommunications overlaps with computing and business and financial services are open to direct competition.

The Social Ownership document shows little understanding of the dimensions of this rapid technological change, or of the limitations it implies for the state-backed go-it-alone policies which Labour favours in electronics and other "sunrise" industries.

Central issues

Many of these industries require economies of scale which can be achieved only by an all-out attack on global markets. As many European countries have already learnt, high-technology ventures tied to narrow national goals fixed by their government masters are a recipe for expensive failure.

The backward-looking and frequently inconsistent proposals set out in Social Ownership suggest that the Labour Party is still more intent on uniting warring factions within its own ranks than on winning wider electoral support.

Labour claims that its industrial policies have often failed because they were not radical enough. If it really wants to be radical, it should start by getting to grips with the central issues, not by taking refuge in elderly ideological preconceptions which have already been tried and found wanting.

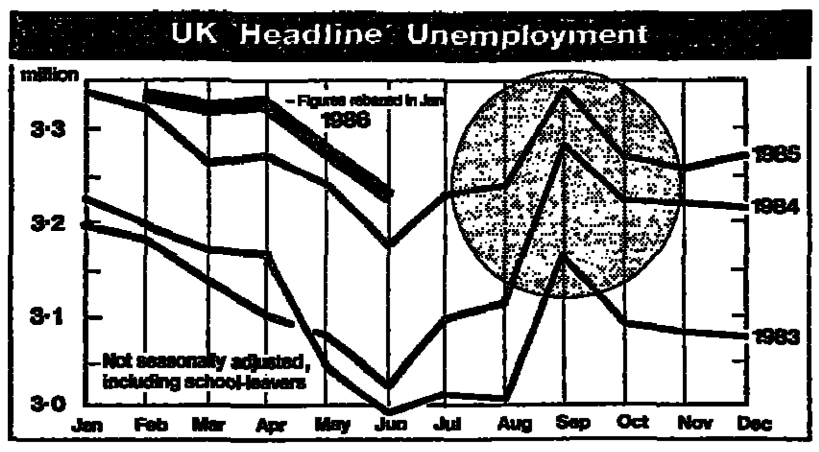
ECONOMIC VIEWPOINT: UNEMPLOYMENT

'Something must be done'

By Samuel Brittan

Unemployment is the responsibility of poor management and not politicians. Growth is within industry's grasp, but the lack of professional hard-working attitudes means it has failed itself. Also weak management versus strong unions. No sensible conclusion.

—Verbatim comment in FT Gallup management survey



Which, if any, of the following changes do you think would induce your firm to increase employment over the next four years

per cent	Great Britain	US	West Germany
Expansion of demand through higher government spending	48	29	32
Imposition of imports tariffs	14	19	15
Agreement with unions on some form of wage restraint	9	18	45
Abolition of minimum wage legislation	4	14	9
Relaxation of laws on part-time working	5	20	41
A tax concession of say, 10 per cent on labour costs to encourage you to take on more workers	29	47	49
Wages frozen at current money levels for year or two	17	35	29
Other	21	4	6
Nothing would induce this	8	15	12
DK/NA	3	0	8

SEASONALLY-ADJUSTED adult unemployment in the UK has been rising since the end of 1979—at very great speed up to 1982, but remorselessly, if more slowly since then. In relatively good years for growth such as 1985, the rate of increase has been over 5,000 a month. In years of slower growth such as 1986 so far, it has been rising by 15,000, to reach a total of 3.22m this June.

Statistical changes over the years—some of them justified—have reduced the total by more than 400,000 in all.

Increases at recent rates add two-thirds of a percentage point a year to the unemployment rate, which is already 11.7 per cent, even on the Government's newly adjusted base of the total working population. It amounted to 13.1 per cent on the previous denominator relating to employees only.

Yet instead of the non-stop alarm which such trends ought to generate, the Government moves into a fool's paradise every spring and summer, when it is lulled into thinking that unemployment is no longer so acute a political issue.

The reason is breathtakingly simple. It is that unemployment figures are popularly reported without seasonal adjustments and including some school-leavers. As the chart shows, the headline total normally falls from February to June every year — even when the underlying trend is strongly upward. Thus attention shifts from unemployment to ministerial banana skins and political side-issues.

The July headline figures — to be published this year on August 14 — normally come as a jolt. There may or may not be a modest respite in August. But the really big shock comes in September, when the headline rise could be in the 100,000 to 200,000 range.

This year it may miss the party conference season, but come in time for the opening of Parliament. The remaining months of the year are another fool's paradise to be followed by a further jolt between December and January.

The pattern of spasmodic hysteria, followed by complacency, has not helped to generate the radical measures that the jobless figures warrant.

Even when the British economy enjoys 3 per cent growth, there tends to be jobless prosperity. When growth comes to a near-halt as it has done so far in 1986, the unemployment outlook is that much worse.

The fact that the so-called pause in economic growth is world-wide is no consolation. When forecasters of all kinds — Keynesians, monetarists and eclectics — all predicted an acceleration in world growth due to the oil price fall, one should have smelled a rat.

What forecasters are particularly bad at is predicting turning points. On average, formal forecasters may perform better than naive extrapolations. But this cannot obscure the fact that forecasts are least valuable when they are most needed.

The Chancellor should never have relaxed the extreme scepticism towards forecasting which he took with him into the Treasury in 1979.

There is no superior method available of guessing the future to formal forecasting. In place of crystal-gazing, we need:

- The best intelligence of what is happening now and what is already in the pipeline.
- A view of the balance of risks.
- Contingency planning.

The best single piece of evidence is provided by comparing the new CBI Survey with the Treasury forecast of 3 per cent growth in 1986. This was not only for the whole economy, but also for manufacturing. The CBI Survey, by contrast, suggests that manufacturing output will remain flat at least until next October.

One's best guess is that, as always, the economy will eventually return to trend; ie, that growth will return to a normal rate of around 2½ per cent in 1987. But it is just as likely that stagnation will continue, or alternatively that there will be a sharp rebound to 3 or 4 per cent or more. We have to live with this lack of knowledge.

Even if we get the central outcome—a resumption of normal growth—it will be from a lower base, with at least 200,000 fewer jobs than if the Treasury had been right. CBI surveys have always been more pessimistic on employment prospects than the national figures warranted. Nevertheless, the degree of pessimism has increased a good few points; and this matters. So does the deterioration in export orders and expectations.

As for the much-vaunted increase of 1m in employment since 1983, this, too, is slowing down. We need only note that the first-quarter increase of 25,000 was the lowest for three years and that "employees in employment" actually fell slightly. In any case there has been virtually no increase in male employment for the last three years.

What has been shattered beyond recall is the vision which the present Government's intellectual advisers had in 1979. In essence, this had nothing to do with technical monetarism nor Mrs Thatcher's messianic mission, nor with partisan polemics. Reduced to its basis, it said:

Let the Government do its job, which includes the provision of a stable monetary and fiscal framework and a competitive environment with fewer union hindrances. Let business then do its job. The result will reflect the energies, aptitudes and preferences of the British people. We cannot guarantee rapid growth or Nirvana, but at least there should be reasonable stability without runaway inflation or mass unemployment.

Although it was never put as well as this, it was an eminently sane vision. And indeed it was shared by people with more concern than the present Government for the distribution of income and wealth and who had no particular partisan inclinations.

And something like it has been realised in the US, despite the present American near-panic about the trade deficit and disappointing growth. The 1980 and 1982 recessions in the US involved temporary increases in unemployment, as inflation was ejected from the system. After that, unemployment rates fell sharply and the slack was absorbed, just as foreseen in the Friedman theory of the "natural rate." In most of Europe and especially Britain, the theory has flopped and unemployment has been on a one-way street.

One can argue until the cows come home whether persistently rising unemployment is due to too much government spending or too little spending, to the social security or housing systems, or bureaucratic hindrances on business. Not one adviser in the late 1970s warned that draconian — and perhaps electorally suicidal—action was necessary to prevent unemployment exploding above 3m.

The surest sign that the original theory has been abandoned is the way that ministers once more lecture about wage restraint and poor management. If there was one attractive feature of the 1979 vision it was that ministers could stay silent on such matters.

Of course the British Government has had to contend with a fall of 70 per cent on the oil price; but it was in even more trouble in 1979-80, when the oil price doubled. I am also well aware that there are some deep-seated structural features in UK unemployment, which I discussed in last Thursday's FT survey on Work. For instance, reported vacancies and skill shortages are now similar to those of 10 years ago when male unemployment was a third of the present level. It is also true that many proposed cures for unemployment—such as cuts in benefit levels or compulsory national service—are worse than the disease.

But despite all these factors, *unemployment cannot be allowed to deteriorate at its present rate.* It is no longer good enough to hope that a growth or jobs upturn will come next year. There have been too many "next years."

The Government has been let off the hook because so many of its opponents want to fight today's unemployment with the weapons of the 1960s. But ministers themselves need to advance beyond the 1970s critiques of these policies.

A rethink could well start off with the FT Gallup poll of management taken for the Work survey. When asked which changes would make them increase employment over the next four years, 48 per cent of British respondents replied: "expansion of demand through higher government spending."

This measure was much lower down the list of priorities in the US, Germany and other countries surveyed. But although the attitude may not reflect much credit on British management, it exists.

Unfortunately, there was no question stopping at the words "expansion of demand," and which did not add "through Government spending." Because so many mainstream economists have cried "wolf" about lack of demand, year after year, they should not be ignored now that demand is really undershooting.

The Chancellor has many times assured us that the Medium Term Financial Strategy is as much a guarantee against inadequate as excessive demand. Now in the Treasury's own view, demand, as measured by Nominal GDP, is undershooting the 6¾ per cent projection for 1986-87. The matter was raised, but not pressed, at a recent NEDC meeting. With unemployment above expectations and inflation below, any errors should instead be on the side of overshooting.

How best to do this? Both for the sake of jobs and the balance of payments, sterling, like the dollar, needs a gradual slide which in Paul Volcker's words does not become "a self-reinforcing, cascading depreciation." This means that British interest rates cannot fall independently of other countries. The British Government can, however, at least line up with the Americans against the excessively restrictive German and Japanese policies. The American arguments are not foolproof. But the British interest is clear.

Given the vulnerability of sterling, demand expansion will have to have more a fiscal than a monetary slant. The Chancellor's remark that the balance between the two was not sacrosanct in his 1985 Budget Speech, which rattled the Treasury so much, was nearer the mark than his more cautious words in 1986.

It would still be too defeatist to give industrialists the fat, easy government orders for which they ask and for which spending ministries are clamouring.

Tax cuts would be easier to justify if they were part of a concerted European drive so that import leakages cancelled out. Even so, reductions in income tax are a highly cost-ineffective way of tackling unemployment. The supply-side effects of feasible cuts are negligible.

Looking at the Gallup table, the second most popular job-stimulating measure among British employers is a tax concession on labour costs. This is difficult to reconcile with their lesser enthusiasm for two years of frozen money wages or with union-wage restraint.

But accepting British employers with all their inconsistencies, their preferred incentive is remarkably similar to the £40 a week subsidy for a year for each long-term unemployed person recruited, advanced by the Commons Employment Committee. This is part of a three-pronged approach together with labour-intensive building and social services programmes.

Even the Government reply concedes that the programme might eventually produce 450,000 net new jobs (allowing for displacement) at a total Exchequer cost of £4.3bn in the peak year. This is equivalent to forgoing the planned income tax cuts, plus perhaps a modest increase in government borrowing, which the foreign exchange market would take in its stride if it promised increased political stability.

In conjunction with an international programme for maintaining nominal demand, the Employment Committee's proposals could just be enough to convert the persistent monthly rise in unemployment to a small monthly fall. In economic terms, it is the difference between a climate where rational policy is possible and one where fear, reaction, and *immobilisme* hold sway.

Men and Matters

CRA without Carnegie

Sir Roderick Carnegie's decision to quit as chairman and chief executive of the Australian mining group, CRA, which is 52.3 per cent owned by Rio Tinto Zinc, has stunned the local investment community—but apparently came as less of a surprise to company colleagues.

Carnegie, 53—who will remain a director of both CRA and RTZ—was not available yesterday to elaborate on his decision. His silence on the matter contrasts with his outspokenness in the 1970s which is believed to have resulted in RTZ's decision to reduce its holding in CRA from a high point of around 90 per cent.

At a press conference in 1977, Carnegie conceded that he had placed his executive career with RTZ "at risk a number of times" by stressing the need for a higher Australian equity interest in CRA.

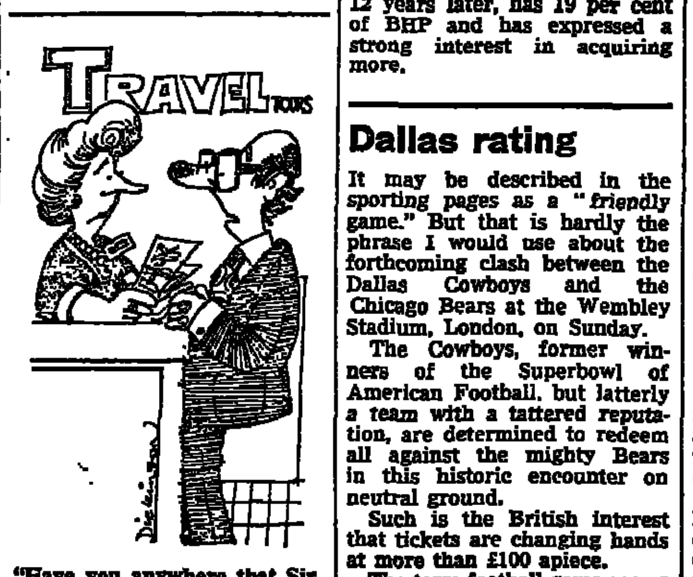
In his brief resignation statement on Tuesday night, he said he had remained at CRA as long as he had "so the naturalisation could be completed in an orderly manner."

Local observers suggest, however, that Carnegie's decision stems partly from a visit to Australia earlier this year by RTZ chairman, Sir Alistair Frame.

CRA had been mentioned at the time as a likely ally of BHP, Australia's biggest company, against the latest takeover bid by Robert Holmes à Court.

But Frame appeared less keen than Carnegie to come to BHP's aid and, it is believed, London vetoed any prospective rescue by its Australian arm.

If Carnegie has aspirations to become chairman of BHP, all may not be lost yet. Before joining CRA, he set up the Australian operation of US management consultants McKinsey & Co. His protege at McKinsey was John Elliott who, 12 years later, has 19 per cent of BHP and has expressed a strong interest in acquiring more.



"Have you anywhere that Sir Geoffrey hasn't been to?"

Dallas rating

It may be described in the sporting pages as a "friendly game." But that is hardly the phrase I would use about the forthcoming clash between the Dallas Cowboys and the Chicago Bears at the Wembley Stadium, London, on Sunday.

The Cowboys, former winners of the Superbowl of American Football, but latterly a team with a tattered reputation, are determined to redeem all against the mighty Bears in this historic encounter on neutral ground.

Such is the British interest that tickets are changing hands at more than £100 apiece.

The term football game seems quite inadequate, in fact, to describe the forthcoming encounter. The great and good of political and business life in the two cities of Dallas and Chicago, and the states of Texas and Illinois, have found sufficient reason to be in London during the period in and around the meeting of the giants.

Starke Taylor, aged 64, mayor of Dallas for a second term, is looking for a lift from the Cowboys' performance to help inward investment into his city.

The sex and sin of Dallas the soap opera, backed by limitless oil revenues, is far removed from real life in Dallas this year, he insists. The city's $1bn budget is showing a $50m shortfall now that oil is trading at less than one-third of the peak prices of recent years. He is looking for inward investment from Europe. His companion Forrest Smith, president of the Dallas chamber of commerce, (who doesn't intend to miss the big game on Sunday either) points out that Dallas holds on to a highly respectable position in financial terms in spite of the recession.

Dallas is the only major US city still to hold a "Triple A" bond rating from Standard and Poor's and Moody's.

Bears and bulls

Bill McDonough, chief financial officer of the First National Bank of Chicago, will be host to 950 of the bank's customers at Sunday's game—and to a party for 1,400 at Wembley conference centre beforehand.

Some 40 businessmen from Illinois have also made the trip, combining pleasure with the opportunity to search out potential UK investors and to discuss a few deals.

McDonough, a regular visitor to London where he once ran First Chicago's operations, seems in a fairly bullish mood for a Bears' supporter.

"Relations between Chicago and London are very close," he says—and he obviously expects them to get closer. First Chicago's role in this looks promising, he says. He has been reviewing the progress of the London operation's new management structure—more a partnership than a hierarchy. Heads of departments meeting as a council of nine each morning to discuss business is resulting in greater creativity and productivity, he claims.

Spirit chasers

A strike that has closed the shops of Norway's state wine and spirits monopoly for almost a month has sent increasing numbers of thirsty Norwegians to neighbouring Sweden for their booze. With the holiday season making people more than usually mobile, the result has been long queues at all the Swedish state liquor shops within easy reach of the border.

From now on, however, the queues could shorten. An Oslo newspaper has tipped off its readers that wine and spirits can be just as easily collected from Swedish grocers, tobacconists, toyshops, or ironmongers as from the crowded state outlets.

The secret is to make a phone call, two days in advance, to one of the 300 such retailers allowed to place orders, on a customer's behalf, with the Swedish state monopoly. A quick trip across the border, two days later, and there — among the groceries or the toys — the parcel will be waiting. No queues, no hassle, and no extra charge — the shop gets a commission from the state monopoly on each sale.

A toy-seller and tobacconist in the little town of Charlottenberg, five kilometres from the Norwegian border, reports booking 700 such orders in one week.

Observer

THE MALAYSIAN ELECTION

Cracks appear in the Mahathir mould

By Chris Sherwell in Kuala Lumpur

WHEN Dr Mahathir Mohamad, Malaysia's Prime Minister, called a "snap" election last week, he said it was designed to end uncertainty in the country. Instead he is likely to receive a stinging rebuke which could mark a watershed for him and the beginning of a period of crippling unpredictability for Malaysia's 16m people.

No one doubts that Sunday's poll will see the 60-year-old leader returned to power at the head of the large National Front multi-party coalition which has ruled since independence in 1957. But diplomats and party officials believe that its overwhelming majority in the 1982 election, when it won 132 out of 154 seats, is about to be slashed in a way seen only once before — in 1969, when the close result led to race riots, hundreds of deaths and emergency rule.

If this is the outcome, the blame will lie largely with Dr Mahathir. His government has lurched from one domestic crisis to another, disturbed the country's delicate racial and religious balance and become tainted by scandal and corruption as the economy has plunged deep into recession.

More than in any previous campaign, the Prime Minister is the real issue in the election. Dr Mahathir is almost certain to come under pressure to step down once the poll is part of history, especially if he comes close to falling short of a two-thirds majority of the 177 seats at stake.

Because Malaysia has a highly combustible mix of Malays (48 per cent of the population), Chinese (34 per cent), Indians (9 per cent) and indigenous groups, and of Moslems, Christians, Buddhists and Hindus, loss of that margin could break the mould of the country's race-based politics.

It would mean that the coalition had lost control of one or more of the federation's component states. It would undermine the Malaysian Chinese Association (MCA), the main Chinese partner in the coalition. Above all it would be a challenge to the self-proclaimed right of the United Malays National Organisation (Umno) to represent the Malays, who dominate the country's politics and government.

It would also come at a time when rapid growth, which has helped crucially to preserve the peace, has vanished. In 15 years to 1985, Malaysia averaged 7½ per cent growth a year, thanks to its vast resources of tin, timber and oil and its ability to produce vast quantities of rubber, palm oil and electronic products.

Now falling world commodity prices have pushed the country's terms of trade so far into reverse that its gross national product fell 2.7 per cent in nominal terms last year, despite a 2.8 per cent rise in domestic output. This year, nominal GNP per head will fall for the second consecutive year, back to below 1983 levels. Next year is likely to be worse still.

No sector has escaped the downturn. Slack demand is hurting corporate profits and weak cash flows have caused liquidity problems. The property and stock markets are in trouble. So is the financial system. Business confidence has never been weaker, and a tough budget is inevitable in October.

Perhaps most embarrassingly, the government has this year had to abandon cherished targets set for 1990 under the 20-year New Economic Policy, a cornerstone of government strategy which the Malay-dominated government introduced after the 1969 troubles to redress the economic imbalance then favouring the powerful Chinese. The latest five-year plan projects a record 10 per cent unemployment rate for the end of the decade, and acknowledges poverty will persist.

Dr Mahathir's election promises from 1981, when he came to power, now look distinctly anaemic. He had painted a rosy picture of a future in which Malaysia became more self-sufficient economically, flexed its muscles internationally and moved quickly to join the ranks of the modern newly-industrialising states.

The reality has been a tale of blunders and excesses. Malaysian support for a massive tin-buying operation early this decade ended in costly failure, as did its backing for the international tin agreement which collapsed last year. Its celebrated takeover of companies like Guthrie's, the plantations company, has proved misguided, as have expensive ventures in heavy industries and car production, and prestige projects like the Penang Bridge.

More significantly, the state-owned Bank Bumiputra, formed to foster Malay, economic development, lost US$1bn in loans to Chinese property speculators in Hong Kong, a sensational scandal which even now remains unresolved and unpunished. Subsequent controversies surrounding numerous contracts and deals at private and government level have fuelled critics' suggestions that the New Economic Policy has succeeded only in creating a few rich Malays.

Dr Mahathir: he is the real issue.

One of the most celebrated cases is now being exploited mercilessly by the opposition. It concerns Mr Daim Zainuddin, Dr Mahathir's wealthy business friend who was made Finance Minister in 1984. His family acquired a large stake in a major Malaysian bank just before his appointment, and built up a majority holding in it just before the government changed the rules to disallow large personal stakes.

Other instances have cast doubt on Dr Mahathir's much-vaunted pledge to give Malaysia "clean, efficient and trustworthy" government. Though he has tended to follow pragmatic, free-enterprise policies with a prudent eye on the external accounts and Malaysia's credit rating, some of his policies, especially those to prop up the stock market, have raised eyebrows.

Other actions by Dr Mahathir over the years have needlessly antagonised the country's nine sultans, one of whom is elected as King once every five years, the Chinese community and the Christian Kadazans in the East Malaysian state of Sabah. More worrying divisions have deepened within both the Malay and the Chinese communities.

For the Chinese community the biggest problem is Mr Tan Koon Swan, the entrepreneur who faces criminal charges in Singapore over his involvement in Pan-Electric Industries, the listed company which collapsed last November. The collapse led to an unprecedented three-day closure of the Singapore and Kuala Lumpur stock exchanges, and a subsequent crash in prices.

It has not gone unnoticed that Sunday's election is being held the day before Mr Tan is due to go on trial in Singapore. At the height of the Pan-Electric crisis Mr Tan won the leadership of the MCA, and became entitled to a Cabinet position. He is now standing for election.

Some analysts say the timing of the poll may help prevent heavy losses for the MCA, support for which fell when it went through a bitter 21-month leadership crisis before Mr Tan emerged on top. But this seems unlikely, and few believe the election will save the increasingly unpopular Mr Tan from the law.

Whether Dr Mahathir's problems with the sultans will impair his electoral performance is an open question. Back in 1983, the Prime Minister provoked a serious constitutional crisis by pushing a raft of amendments through parliament which rendered royal powers of assent virtually irrelevant and transferred to him the all-important power to declare a state of emergency.

The King refused to sign the Bill into law, and Dr Mahathir was forced into an embarrassing compromise to settle the issue. The affair may have cost him the full trust of the politically important sultans. Certainly it has not been forgotten.

Another badly mishandled affair was the Sabah crisis last year, when one of the National Front's component parties lost a state election but tried to hold on to power. A firm decision by Datuk Musa Hitam, the deputy prime minister acting in Dr Mahathir's absence abroad, ensured that the victorious Christian-based opposition secured the reins of government, but the controversy continued as Dr Mahathir bluntly refused to accept it into the coalition.

The winning party's plan earlier this year to resolve the issue by holding another election led to bomb explosions and violent demonstrations by the Moslem opposition, raising the suspicion that someone was prepared to go to extraordinary lengths to provoke rule from the capital. The election eventually went ahead and the party again won convincingly. Ironically, its admission to the coalition now provides Dr Mahathir with a key component of the two-thirds majority he so desperately wants in parliament.

One major threat to this majority, and to Dr Mahathir's continuation in power, is the opposition Parti Islam, known as Pas. A fundamentalist Moslem grouping committed to the establishment of an Islamic state, it is most powerful in the north-east and north of peninsular Malaysia.

Pas has easily exploited the deaths of 18 people, including four policemen, in Dr Mahathir's home state of Kedah last November, when 400 Moslem villagers headed by their religious leader clashed with 200 policemen.

The biggest threat to Dr Mahathir's future, however, will come after the election from within his own party, and specifically from Datuk Musa. He became deputy leader and heir apparent to the premiership in 1981, and was the other half of the famous "2M" partnership which promised Malaysians so much.

Malaysians going to the polls now face a dilemma. Increasingly dismayed and dissatisfied with this "Champion of the People," as Dr Mahathir is billed, and quite ignorant of his plans to salvage his own reputation and the country's economy, many are tempted to vote against the National Front. Weak opposition offers no real alternative. For a new generation of 1m voters in particular, it is a tough decision.

The bigger worry is that, whatever the verdict, it may make little difference to what Dr Mahathir does. His opponents believe his view is that the people can vote every few years but should leave it to the elected leadership to carry on governing.

The Prime Minister has shown himself to be proud, suspicious of criticism and critics, and occasionally xenophobic. He has a reputation for not suffering fools gladly.

He is also determined to fight to retain power. Malaysia's first leader not to be royally connected or educated in Britain, he has presided over the "Asianisation" of Malaysian politics. What happens in the next few days and the subsequent months is going to determine the country's leadership until the end of the century.

Lombard

Absurdities of US farm policy

By Andrew Gowers

STUDENTS of political schizophrenia must be revelling in the ironies of US farm, trade and foreign policies these days.

On the one hand, the Reagan Administration moralises to the European Community about the evils of agricultural export subsidies. On the other, it appears to be moving towards a major expansion of its own subsidised Export Enhancement Programme.

On the one hand, the President lectures his allies about holding firm against the Communist threat. On the other, he discusses with his top advisers the possibility of making subsidised grain sales to the Russians and the Chinese—in direct and damaging competition with some of America's most important friends: Canada, Australia and Argentina.

Australia, for one, has not been slow to underline the implications such a move might have for its relationship with Washington; and Mr George Shultz, the US Secretary of State, has complained in public about the frequent embarrassments which farm policy has inflicted on America's attempts to build foreign alliances.

To mention a couple of absurdities: what the US gave in aid under the Caribbean Basin Initiative it has taken away under its shrinking import quota for Caribbean sugar; what the US has dispensed in largesse to Thailand it is about to offset with a major onslaught on that country's rice customers.

What Mr Reagan and his men have been considering this week amounts to another significant policy shift. Up to now, Washington has tried to maintain that its subsidy transgressions should be seen as a specific attempt to claw back markets lost to that other sinner, the EEC. An expansion along the lines proposed, by contrast, would injure countries with much less to apologise for.

It is easy to see how the Americans arrived at this painful juncture. Agricultural exports remain depressed, despite all the Administration's promises that they would pick up with the fall in the dollar. Efforts to boost exports by giving buyers free grain "bonuses" have had a limited effect, because the biggest buyer by far—the Soviet Union—has been excluded. Large swathes of the farm economy are still in a terrible mess—and sizeable numbers of legislators fear being made scapegoats for that fact in this November's congressional elections.

There is also a genuine, and understandable, sense of grievance at the EEC. For the past three years at least, the US has been consciously bearing the brunt of adjustment in world agriculture; in the meantime, European grain production has continued to go up and up.

It is against this inauspicious background that members of the General Agreement on Tariffs and Trade are supposed to be trying to tighten the rules on farm trade as part of the new multilateral negotiations to be launched in September. The omens are predictably grim, with the US calling—rather implausibly—for an absolute prohibition on export subsidies, and the EEC apparently stalling by refusing to talk about anything but the removal of surplus stocks.

All this misses the point. In the first place, as the Europeans are fond of pointing out, export subsidies as such are not the only form of government-instigated distortion in world agricultural trade. The record American programme of deficiency payments to farmers starting this year will also have its impact on exports by keeping market prices of US produce well below the price that the farmer receives.

In the second place, tinkering with the trade rules—either on export subsidies or on import barriers—will do nothing to change the underlying problem, which is the surplus of productive *capacity* in world agriculture. Unless the major farm exporters get together soon for serious discussions on a co-ordinated cut in production, they might as well forget completely about re-drawing the rules—and tear up the existing Gatt rule-book, flimsy as it is. Is everyone bound for the sort of Looking-Glass World already inhabited by the Americans and the Europeans?

Letters to the Editor

The Community at sea

From Mr G. Stevenson and K. Stewart MEPs

Sir,—We as politicians are often accused of ignoring the problems affecting shipping in the EEC and particularly in the UK because there are not many votes in merchant shipping. This is reflected in the dramatic decline in shipping in the EEC with no meaningful response from government. This decline has been worst in the UK. Since 1979 the registered merchant fleet has fallen from 1,200 ships comprising 36m deadweight tonnes (dwt) to just 689 ships of 18m dwt at the end of 1984, and the loss of 30,000 seafarers' jobs. Tragically then the UK has been in the forefront of this process of exporting jobs and the basis of this vital industry. Vital because 90 per cent of EEC trade with third countries and 40 per cent of inter-community trade is transported by sea.

Therefore a strong progressive merchant fleet in the EEC is not just important in terms of world trade, but absolutely vital for other industries such as coal, shipbuilding, and steel. Member states had net earnings from shipping of $9.1bn in 1982. EEC insurance companies are some of the largest in the world, and highly involved in world shipping.

The Socialist Group in the European Assembly transport committee are attempting to base the merging EEC Maritime Policy on the following principles.

The total free trade approach in shipping rejected by many maritime nations, will not serve the needs of the EEC. Management of cargo is not incompatible with efficiency, and can be developed. The growth of flags of convenience, including use of non-domicile seafarers who are massively exploited, must be rejected in favour of a safe, progressive, and efficient shipping policy. The inter-relationship with other basic industries, steel, coal, shipbuilding must form an integral part of this policy.

An EEC-wide scheme of investment incentives co-ordinated with member states with the objective of restoring the competitive position of the Community merchant fleets must replace the present disastrous system.

George W. Stevenson,
Kenneth Stewart.
c/o 76-80 Lonsdale Street,
Stoke-on-Trent.

Industrial fatigue

From Dr F. Heller

Sir,—In congratulating you on your fascinating supplement on "Work: the way ahead" (July 24) I can fill in a further detail on changes in the so-called "Protestant work ethic."

An eight-country study on the meaning of work will be published this autumn. (It covered Belgium, Britain, the Netherlands, Germany, Israel, USA, Japan and Yugoslavia). As expected, Japan had by far the highest score on work centrality (compared with the centrality of family, leisure, community and religion). Almost equally predictably, Britain was way down at the bottom of the scale. More interesting, however, from the point of view of what the work ethic really means, Yugoslavia came fairly close to Japan and Israel not far behind, while Germany came next to the bottom and the Netherlands and Belgium also in the bottom half. The USA occupied the middle position.

One thing is clear from these findings; the work ethic is now independent of Protestantism and indeed shows no religious affiliations. A somewhat speculative but interesting interpretation derives from the fact that the top three countries started their major industrialisation only recently, while the bottom four and particularly Britain, are old hands at it. Is industrial exhaustion or at least fatigue a possible explanation?

(Dr) Frank A. Heller,
(Director, Centre for Decision Making Studies),
Tavistock Institute of Human Relations,
Belsize Lane, NW3.

Undergraduate projects

From Dr D. Brancher

Sir,—The examination of SS Titanic by underwater vehicle and robot TV camera is a remarkable achievement. It opens the way to the exploration and inspection of the deepest sea-bed, which will in this century and the next have far more economic significance than other space exploration, and arguably almost as much importance in defence.

Such achievement does not come from pure science, or by accident. Thirteen years ago, in the engineering schools of American Universities, I was shown some remarkable undergraduate projects in this field. The impetus came from agencies and companies in underwater technology, which provided large numbers of small grants for student projects, to cover the costs of equipment, testing and travel. Many prizes were offered, and won.

The lesson goes beyond sea-bed technology. It is that relatively small sums, made freely available for undergraduate work, can generate a multitude of original ideas for further development, focus attention on new prospects and capture the imagination of the young men and women fortunate to enter the engineering profession at the present time.

I fear that government and many manufacturers on this side of the Atlantic still do not realise the high returns to be had, in many ways, in financing undergraduate design work in emergent technology.

(Dr) D. M. Brancher.
The Orchard,
Skenfrith,
Abergavenny, Gwent.

Young people's wages

From the Chairman, British Youth Council

Sir,—Helen Hague (July 29) rightly points to the many serious effects which the Wages Act is likely to have on young people. It is the more serious when one looks at the actual wage levels involved.

Young workers in most wages council industries receive only 65 per cent to 75 per cent of adult levels at present. At age 16 this means an average wage of £45 a week for 40 hours. It is not hard to see this falling well below £1 an hour under the act. Indeed, minimum levels in hairdressing are only £34 a week at present.

It is hard to see how such ridiculously low wages are supposed to create jobs. What seems more likely is that bad employers will use the exclusion of under-21s from the councils to exploit young workers — and it is hard to see such employers keeping too many over-21s on their payroll. So young workers in such industries face low wages until 21 and unemployment afterwards.

The mythical jobs which may be "created" will only be those of older workers laid off by the less scrupulous employers in order to hire control-free young people. Reputable surveys have already shown the real jobs creation to be negligible.

It is hard to see who this act will benefit except those employers without good employment practices. Good employers would realise the value of their young workers' contributions already — and probably pay above the minimum as it is. It is not hard to see that the real losers will again be young people.

Malcolm Ryan.
57, Chalton St, NW1.

The de la Madrid gambit

From the Chairman, Business Vehicle Contracts.

Sir, — Anatole Kaletsky's analysis (July 25) of the latest Mexican development in the "Third World debt" saga uses the analogy of an unfolding chess game. He avoids predicting a result and also regrettably omits a now customary media-initiated component of such exciting events; this is the pre-match build-up with insights into the protagonists' strengths and weaknesses.

Clearly the challenger (Mexico) has now won the pre-match war of nerves by concentrating on the weak spot of its opponent (IMF), that is the US.

No debtor country knows the US better than Mexico which has well established and well identified support in most American cities, albeit much for sentimental reasons. Hence Mexico is well-placed to push the US to subordinate its traditional latent isolationism in favour of its traditional love to participate in great schemes.

Full marks, therefore, to Mexico for its pre-match preparation and especially for its timing. After all, any earlier would have highlighted its pre-election chaos and any later might have run foul of the anticipated worldwide trading slowdown.

The issue is whether other heavy debtor countries have a sufficiently good special case or even sufficient time to play the "de la Madrid" pre-match gambit. Further, if Mexico benefited through having a lever on an IMF board member, which other debtor countries could aspire to such friends in high places? Which such countries could attach their development programmes to as easily identifiable an intervention formula as prevailing oil prices offer the Mexican settlement?

It does not sustain such scrutiny very well unless the IMF chess player has defected; or the IMF recognises that, judged on traditional criteria, Mexico is bust and new criteria must be agreed. They wouldn't do that, would they?

No, the Mexican programme is a mirage, a cruel parody of the real thing which is the progressive cancellation of capital debt being the reward for the successful implementation of these "longer-term development-orientated" proposals. This remains that part of the game we shrink from but which will still be with us however elegant the Mexican agreement appears as a model.

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FINANCIAL TIMES
Thursday July 31 1986

UK bank raises $600m in perpetual FRN issue

By David Lascelles in London

BRITAIN'S Lloyds Bank yesterday raised $600m with an issue of perpetual floating rate notes on the Euromarkets in order to boost its capital ratios.

The proceeds will count as primary capital under the Bank of England rules, which means they will add to the strength of Lloyds' balance sheet. Under new regulations just approved by the Federal Reserve Board in Washington, they should also qualify as primary capital in the US.

The issue, which was well received in the markets yesterday, is the latest of a string of "perpetuals" issued by UK banks since the Bank of England allowed them for capital purposes in May 1985. The first was also by Lloyds.

Mr Brian Pitman, Lloyds' chief executive, said yesterday: "We want to get our capital ratios up among the highest in the world." He said this would help improve Lloyds' credit rating and attract deposits at the finest rates.

The issue will bring Lloyds' ratio of primary capital to total assets up to 8.6 per cent from 8.1 per cent. Lloyds will shortly also be realising $263m from the sale of its California subsidiary, which will raise the ratio to 9 per cent.

Mr Pitman said he expected it to reach 9.4 per cent by the end of the year. This would restore it to the level before Britain's 1984 budget when an unexpected change in the tax treatment of leasing drained Lloyds' reserves of £465m.

The latest issue will enable Lloyds to repay a similar amount of non-perpetual loan stock, thus improving the overall quality of its debt capital.

A spokesman for the Fed confirmed yesterday that a decision had been taken to include perpetual debt in primary capital in the US. The final details had not yet been worked out, however, he said, and the new rules were still awaiting publication.

The Fed's decision is expected to spur further issues of perpetual floating rate notes both by US banks, and by foreign banks with significant operations in the US.

Details, Page 18

Seven Opec countries agree to cut output

Continued from Page 1

rate, not including an entitlement of 100,000 b/d or so from the neutral zone shared with Kuwait, is believed to have been in excess of 6m b/d.

Perhaps parodying the absurdity of the proceedings, Mr Gholamreza Aghazadeh, Iran's Oil Minister, declared that his Government would be prepared to bring down the country's oil production by 500,000 b/d to 3.5m b/d.

In practice, not least because of constraints on its export capability imposed by the conflict with Iraq, Iran is believed to have been the only Opec member to have produced less than its quota – 2.3m b/d – under the old, defunct ceiling on collective output of 16m b/d agreed in October 1984, and effectively abandoned last December when Opec decided to give priority to recovering market share.

Lucy Kellaway in London adds: The oil market, yesterday reacted with hesitant approval to signs that Opec might reach voluntary agreement on production quotas. The price of Brent crude for September delivery rose at one point yesterday to $10.40 a barrel, about $1 higher than Tuesday's low, although it later fell back to about $10.

Since the meeting began on Monday, trading in London and New York has been very slow, with many dealers reluctant to commit themselves before the outcome of the meeting is known.

France blocks revised Gatt agriculture draft

BY WILLIAM DULLFORCE IN GENEVA

FRANCE AGAIN yesterday stood in the way of a compromise over agriculture that would enable trade ministers to launch fresh international trade-liberalising negotiations.

The European Economic Community's representative on the committee in the General Agreement on Tariffs and Trade (Gatt) preparing for the negotiations, postponed until today a statement on whether or not the EEC would support a revised draft declaration for the ministers.

The draft appeared to meet French demands that the declaration contain no reference to farm export subsidies and it had the backing of a majority of Gatt countries. The French Government refused to allow the Community to accept the text.

The revised declaration, presented by Switzerland and Colombia, stipulated that negotiations would aim at increasing discipline in the use of subsidies affecting agricultural trade.

They would also consider a "possible phased reduction within an agreed timeframe of the negative effects of direct and indirect subsidised competition on world markets."

The ministers' declaration would thus omit the phrase on "phasing out of export subsidies," on which Australia and other farm exporting nations had been insisting.

It would also carry no direct reference to the export subsidies which have become an essential part of the Community's Common Agricultural Policy (CAP). France has been insisting that the integrity of the CAP must not be put at stake in the new trade talks.

The compromise text was accepted early yesterday by representatives of 48 of Gatt's 91 members, including the EEC negotiating team, the US, Japan and a number of developing countries.

The French Government later refused to allow the Community to accept this draft. It apparently fears that a passage in the declaration establishing a separate group to negotiate on Gatt subsidies and countervailing duties would enable farm export subsidies to be raised there.

French officials explain that Paris is insisting on the "specificity" of talks on farm trade, meaning that they should be confined strictly to one group. But officials indicated that the French Government objects to other parts of the draft declaration as well.

The Community's 12 representatives in Geneva are due to meet today in an effort to resolve the impasse.

Commerzbank boosts profits from trading in securities

BY DAVID BROWN IN FRANKFURT

COMMERZBANK, the large West German commercial bank, sharply boosted its first-half operating profit due mainly to record profits from trading on its own account in securities and foreign exchange.

Earnings from commissions business rose by 19 per cent to some DM 500m ($238m), while net dividend and interest income rose 8.5 per cent to DM 1.08bn.

Commerzbank thus achieved a mid-year "partial" operating profit – excluding trading on its own account – of DM 437m for the first half, representing a 20 per cent increase.

Moreover, the group said trading on its own account in securities and foreign exchange produced its "highest ever" result so that the full operating result reflected a "healthy gain." Specific figures were not disclosed.

The parent bank balance sheet rose by DM 2bn to DM 86.7bn at mid-year. Business volume, on a consolidated basis, rose from DM 132bn to DM 141bn for the group.

Group equity capital was DM 4.75bn, up 52 per cent on a 12-month basis due to share issues totalling DM 900m.

The bank's stronger earnings come against a background of good domestic economic growth so far this year, and brisk demand in both its wholesale and retail business.

The management has forecast an operating result for the year "at least matching" the record DM 1.5bn in 1985.

Commerzbank shares closed yesterday DM 2.20 lower at DM 299.80.

Ministers act to allay doubts on UK financial regulation bill

BY IVOR OWEN IN LONDON

SENIOR UK Government Ministers are alarmed by the growing doubts at Westminster and in the City of London over whether the complex provisions of the Financial Services Bill can provide an effective framework for practitioner self-regulation.

Lord Cledwyn of Renrhos, leader of the Labour Party opposition in the House of Lords, and Baroness Seear, leader of the Liberal Party peers, yesterday took the unusual step of seeking a joint meeting with Viscount Whitelaw, leader of the House of Lords, during which they underlined concern among peers and leading City institutions.

News of the move took senior officials of the Department of Trade and Industry by surprise. They had been expecting protests only over the large number of amendments tabled by the Government for the bill's report stage.

During the talks the peers stressed that the anxieties voiced from all quarters of the House during the bill's four-day committee stage had been reinforced by research commissioned by Deloitte Haskins and Sells, the accountancy firm. This research, reported in yesterday's Financial Times, found that fewer than 20 per cent of London's international securities and investment houses believed that the bill would provide a good regulatory framework.

Lord Whitelaw promised to have an early discussion with Mr Paul Channon, the Trade and Industry Secretary, with a view to allaying genuine anxieties during talks between officials and parties principally affected by the bill.

He also agreed to press for the customary reprinting of bills amended during the committee stage to be speeded up so that peers and others had adequate opportunity to submit proposals for improving the measure before its report stage.

The report stage is due to begin on October 14, during the spill-over period before the opening of the new parliamentary session in November.

Opposition peers are understood to have made it clear to the Government that, unless they receive satisfactory undertakings about the steps to be taken to improve the bill, they will seek to reopen the committee stage in October.

If they were to succeed at such a late stage in the current session, the Government could lose the bill through lack of parliamentary time.

Much of the criticism of the bill in the House of Lords has been directed at the hurried manner in which the Government has introduced major changes – ministers moved 22 new clauses during the committee stage – without fully taking into account the views of banks, insurance companies and investment houses which would be affected.

The bill's strongest critics in the City of London have been the securities houses and investment banks belonging to the International Securities Regulatory Organisation

OAU singles out Britain

Continued from Page 1

unilateral action against Britain hanging over the conference, saying that matters were under review.

If Nigeria, which led the boycott of the Commonwealth games, does take action, British Caledonian's profitable London-Lagos route may be a target.

Commodore Ukiwe said that he had fully briefed Mr Mugabe on Nigeria's stand. Asked what message the Zimbabwe Prime Minister would be taking to the Commonwealth meeting on his behalf, Commodore Ukiwe said: "I call on Mrs Thatcher to be more sensible. Her actions show she does not love Britain or the Commonwealth or the Queen."

Standard Oil to increase natural gas operations

BY WILLIAM HALL IN NEW YORK

STANDARD OIL, British Petroleum's 55 per cent owned US subsidiary, is planning to set up a new business to spearhead its expansion into the US natural gas market, an area where it has a much smaller involvement than most of the big US oil companies.

Mr Bob Horton, chief executive, said yesterday that Standard Oil had set up a task force under Mr Colin Webster, executive director of Standard Oil and former head of BP's gas operations, to consider ways of entering the US natural gas business.

The task force has been instructed to look at all aspects of the US natural gas business, including the acquisition of pipelines and distribution equipment right through to the end consumer.

Mr Horton, speaking at an analysts' meeting in New York, said it was too early to say what form Standard Oil's new gas businesses would take, but he expected the company to announce its plans "within months."

Standard Oil produces gas in a number of places in the US but until now it has always regarded natural gas as unimportant compared with its oil business, where it controls the biggest US oil reserves.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	28	82	Dubrovnik	S	27	81	Malta	S	31	88	Rhodes	S	28	82
Algiers	S	29	84	Edinburgh	R	14	57	Manchester	R	12	54	Rio de J'o	S	25	77
Amsterdam	F	20	68	Faro	S	27	81	Manila	C	33	91	Rome	S	29	84
Athens	F	32	98	Florence	S	31	88	Melbourne	C	14	57	Salzburg	F	25	77
Bahrain	C	41	106	Frankfurt	S	24	75	Mexico City	–	—	—	San Francisco	F	10	58
Bangkok	S	31	88	Funchal	F	24	75	Miami	F	28	82	Seoul	C	30	86
Barcelona	S	29	84	Geneva	–	—	—	Milan	S	31	88	Singapore	F	29	84
Beirut	S	29	84	Gibraltar	S	26	79	Montreal	C	17	63	Stockholm	F	18	64
Belfast	R	14	57	Glasgow	R	12	54	Moscow	C	23	73	Strasbourg	S	27	81
Belgrade	S	27	81	Guernsey	S	16	61	Munich	S	25	77	Sydney	S	16	61
Berlin	F	23	73	Helsinki	S	25	77	Nairobi	C	20	68	Taipei	S	34	93
Biarritz	S	28	82	H Kong	S	31	88	Naples	S	34	93	Tangier	F	26	79
Bombay	R	29	84	Innsbruck	F	27	81	Nassau	S	32	90	Tel Aviv	S	30	86
Bordeaux	S	29	84	Inverness	C	13	55	New Delhi	C	31	87	Tenerife	S	25	77
Brussels	S	20	68	Islamabad	C	33	91	New York	C	23	73	Tokyo	S	32	90
Budapest	S	29	84	Istanbul	F	24	75	Nice	S	27	81	Toronto	C	19	66
B. Aires	R	13	55	Jakarta	R	30	86	Nicosia	S	37	99	Tunis	S	32	90
Cairo	S	34	93	Jersey	S	20	68	Oporto	C	18	64	Valencia	F	30	86
Cape Town	S	20	68	Jo'burg	S	18	64	Oslo	F	20	68	Venice	S	28	87
Caracas	–	—	—	Lima	C	18	65	Paris	S	23	73	Vienna	F	29	84
Casablanca	C	25	77	Lisbon	S	23	73	Peking	S	33	91	Warsaw	C	24	75
Chicago	S	17	63	London	C	17	63	Prague	F	25	77	Washington	S	23	73
Cologne	F	23	73	Los Angeles	F	17	63	Reykjavik	S	12	54	Zurich	–	—	—
Copenhagen	F	20	68	Luxembourg	S	21	70								
Corfu	S	31	88	Madrid	S	34	93								
Dallas	S	27	81	Majorca	S	30	86								
Dublin	R	17	63	Malaga	S	27	81								

Readings at mid-day yesterday

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Pressure for sanctions grows

Continued from Page 1

A senior US administration official in London stressed yesterday that President Reagan "has not closed the door on further measures" against South Africa.

Sir Geoffrey believes that, in spite of the diplomatic rebuff he has suffered at the hands of President P. W. Botha of South Africa, his mission has been useful.

Officials said that on no previous occasion had so many "home truths" been conveyed to so many people in the top Afrikaner establishment by a foreign statesman.

Sir Geoffrey had found that his proposal for freeing Mr Nelson Mandela, the leader of the outlawed African National Congress, as the first condition for opening a dialogue with the country's black leaders, appealed to a wider range of people in South Africa than was generally thought.

Although Sir Geoffrey has said that no decision has yet been made on whether to undertake a third leg of his mission to southern Africa, officials generally admit that it is unlikely that he will do so.

The Foreign Secretary firmly believes that the framework he has proposed for a genuine dialogue between the white Pretoria Government and black leaders – the release of Mr Nelson Mandela and the unbanning of the African National Congress (ANC) in return for undertakings to end violence – will eventually prove to be "the key which unlocks the door."

Brussels attacks EEC N-safety standards

By Tim Dickson in Brussels

THE EUROPEAN Commission yesterday delivered a scathing attack on nuclear safety standards in the EEC. However, despite the "very disquieting conclusions" of a report just completed by experts in Brussels, the Commission has no plans at present for an independent, Community-wide inspectorate.

In Brussels, Mr Stanley Clinton Davis, EEC Commissioner responsible for the environment and nuclear security, drew attention to member states' consistent failures to implement health and safety standards laid down in the 1959 Euratom Treaty.

He said basic safety regulations on monitoring and reporting were less stringent today than when the Euratom Treaty was first signed, and called on member states to meet their obligations. He said the Chernobyl disaster in the Soviet Union demonstrated the "transnational" implications of nuclear policy and claimed that "the whole population of the Community, in effect, lives in the vicinity of a nuclear installation."

Mr Clinton Davis said Chernobyl showed the Community's inability to respond to such a catastrophe and that information received by the Commission had been incomplete in many cases and "not always up to date." The Commission was putting forward proposals for an "ultra-rapid" information system to deal with such emergencies in future.

It also planned to propose new radiation tolerance limits for foodstuffs by the end of September, but, despite considerable preparatory work by officials in Brussels, had decided not to propose a Community-wide inspectorate.

Mr Clinton Davis said only four member states – Britain, France, Denmark and Greece – had translated EEC nuclear legislation into national law before an agreed April deadline. Denmark, Portugal, Ireland, Greece and Luxembourg have no nuclear industries.

There are about 50 nuclear plants in the EEC and almost 1m workers are regularly checked for ionising radiation because they work in the nuclear sector.

"Our aim is not to point the finger at the nuclear industry, but there is no doubt that public concern has got to be addressed. The industry will only be allowed to fulfil its task if public confidence is restored," Mr Clinton Davis said.

Paris clears CGE deal with ITT

Continued from Page 1

turn, AT&T would link up with CGCT, in dire need of a strong partner to survive in the public telephone switch business, and gain a 16 per cent share of the French public switch market.

The landmark deal between CGE and ITT was orchestrated by Mr Georges Pebereau, the chairman of CGE who was recently replaced by the French Government at the head of the large state-owned group. Mr Pebereau has been seeking for several years to give Alcatel, CGE's telecommunications subsidiary, the international scale to compete as a leader in the world telecommunications market.

However, the deal with ITT has also raised concerns and criticisms in some official circles in France which regard it as a high risk industrial venture.

Mr Pebereau, who in the last few years negotiated a series of spectacular industrial deals at CGE, has been replaced by Mr Pierre Suard, the former vice president of Alcatel.

Mr Suard is understood to have been closely involved with the long negotiations with both ITT and AT&T. His nomination as chairman of CGE reflects the Government's sentiment that he was the right person to steer the company through its forthcoming privatisation process after a period of heady expansion under Mr Pebereau.

William Hall in New York writes: On Wall Street analysts generally welcomed the signing of the agreement and ITT shares rose by $1⅛ to $53⅞ at the close of trading yesterday. Mr Brian Fernandez, an analyst with Nomura Securities in New York, said that yesterday's news was "quite positive."

"It indicates to me that the deal is going to come off and it is going to come off a little faster than people had expected," Mr Fernandez said. He said that ITT's decision to increase its stake in the joint venture to 37 per cent indicated that it was not willing to countenance any delays.

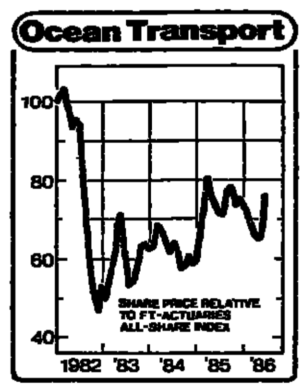
THE LEX COLUMN

Echoes before the Bang

Agnosticism has long since become ingrained in the market for City Revolution stocks. The concept of the multi-legged financial firm has retained its hold, despite the many possible clashes of direction, but expectations of growing profits – in some business areas, of any profits at all – have evaporated. Mercantile House has made a brave showing, against this lugubrious backdrop, with its 44 per cent advance to £75.4m pre-tax for the year to April. Yet profits are almost certain to be well down next year; in the market's eyes these figures are good enough, but look too much like the last swallow of summer.

In Mercantile's case, the growing competitiveness of markets is closing in on several fronts at once. Under attack in the US, Fundamental Brokers is now sharing profits with almost all its customers in the government bond market. Without sign of retaliation so far, this is a market where Mercantile can perhaps look to stand still in profits; but with a smaller cut, Mercantile must hope for a much larger cake. In the London gilt-edged market, where Mercantile is committing £25m to its primary dealership, the chances of making serious profits must depend on capacity being shaken out: but only two of the 29 starters have thought better of it in advance, and staying in is likely to be expensive. Even the old staple, money broking, has finally become a game where price competition has reached London. Though that is likely in the end to help the larger players, including Mercantile, turnover may well grow faster than profits for a while.

The partial disposal of Oppenheimer is in any case almost bound to leave a hole in the current year's profits of more than £10m. Assuming that the underlying business can generate a bit more than last year's 3 per cent growth after currency, Mercantile will be pushed to get near £70m – even with another late run from Alexander in the gilts market. Apocryphal bids from Mr Klesch apart, there is little to lift the shares from their present 293p; equally, a 7½ per cent yield is considerable protection from the doubts.



Ocean

However energetically Ocean Transport and Trading has been spinning the ship's wheel, the evidence of the change of course has been slow to appear in the wake. Repeated efforts to show that Ocean is no longer a shipping business but a broadly based service company has had little impact on the rating. The argument was somewhat frustrated by the OCL associate's record profits in 1985. But in the half-year figures announced yesterday, and with some help from a rearrangement of the divisional breakdown, deep-sea shipping only accounted for a fifth of the £15m pre-tax profits and was the main reason for the reduction from £15.7m in the corresponding half.

The sale of the OCL stake towards the end of the period, and the action taken at Barber Blue Sea and on the West African trades to reduce the break-even point, should at last rid Ocean of the shipping tag. More importantly the £92m raised from OCL leaves Ocean ungeared now and with the scope to invest in its chosen sectors. Already £30m has been spent buying and developing Jardine's airfreight subsidiary and the other half of Panocean Storage and Transport. That money is expected to earn a 20 per cent plus return once the acquisitions have settled in. The rest is likely to go on small private companies or subsidiaries of other groups – which come cheaper than quoted businesses – to bolt on to Ocean's service activities with the same rate of return required.

The Land services division, which increased profits by a third on slightly lower turnover, is the group's pride and joy. The contract to dispose of London's waste should chip in £2m or more in a full year. Airfreight is growing faster than world trade, and much faster than seaborne freight, and Ocean is now in the big league. In marine services the offshore oil support business is clearly suffering, though Ocean has picked up a five year contract from BP.

Even so, the gains in non-shipping will be hard pressed to make up for the lack of OCL's profits this year, and the likely outturn in pre-tax profits down from last year's £31.9m. Thereafter profits should start to rise again, and the backlog of unrelieved ACT should get the tax charge down. This year's multiple of around 11 or 12 on the shares at 218p, unchanged yesterday, is hardly demanding. The dividend has yet to be fully restored but the prospective yield should be near 5 per cent. Mr Ron Brierley's arrival on the share register should stop Ocean's resolve weakening.

Banking solvency

Undaunted by its failure to take control of Standard Chartered, which would have joined the Pacific Rim to the Orinoco, Lloyds has apparently embraced the ambition of rivalling JP Morgan as the world's best-capitalised bank.

Since it is possible to sell perpetual floaters to the lowly-capitalised Japanese banks and get them accepted by the Federal Reserve and the Bank of England as primary capital, this is by no means an unattainable target – although the advantages to Lloyds' shareholders are perhaps a little intangible.

But at any rate, Lloyds' capital ratios have been moved sharply upward – with primary capital likely to hit 9 per cent when the Californian sale goes through. And this is ironically just the reverse of what is likely to be happening at Standard, where the fragility of South African loans is becoming more apparent as the imposition of sanctions draws closer.

Even without sanctions, the market value of an equity investment in a South African bank has scarcely been enhanced by yesterday's figures from Barclay's National, whose profits of R127.4m for the first half are well below those for the second half of 1985, despite lighter bad-debt provisions. As for the value of Barclays' (and Standard's) direct cross-border exposure; it will be interesting to hear what Sir Timothy Bevan has to say when Barclays reports next week.

What key workers share with world beaters

BY MICHAEL DIXON

"DO YOU still run it again in your mind?", I asked when at last I could believe he was really seated next to me. Oddly enough he himself had seemed unable to believe what was really happening on that day in 1968, when his blond hair and blue eyes burned into the memories of me and several million others over the television from Mexico.

"I don't run it in my mind any more," said David Hemery, referring to the race which won him the Olympic gold medal and a world record for the 400m hurdles.

"But there's a video of it, which organisers of conferences I talk at tend to show before I start. When I see it, my pulse goes up, the breath gets short and the adrenalin comes surging in. Except that my legs aren't moving, I *am* running it again."

He spoke those words during a lunch given in London early last year by the Odgers recruitment and management consultancy. And the reason I quote the conversation is only partly that many readers may also be interested in what it must be like to have done something great in sport.

The nearest the Jobs column managed was 18th place in a massed-start cycling championship well over three decades ago, which unfortunately set a pattern. Since then I have always come about 18th at things whereas I would prefer to be best. But I still sometimes mentally play through my unperformed sporting triumphs even though, on David Hemery's evidence, that is something you don't do after you have actually achieved one.

My main reason for mentioning him is that during the lunch he and I found we had other interests in common.

"If I looked a bit absent-minded as I stood there on the winner's platform," he said, "it was because I was trying to work out what accounted for me being up on top when all the rest were down below. So I've since done a lot of researching into what makes people high achievers."

Now the Jobs column is interested in how it is that people do admirable things, although not at such a stratospheric level and in everyday working activities. To define it more closely, my interest is this: What enables people to succeed in jobs which are creative in the sense that the result is rarely if ever identical with any produced before? Examples of such jobs are active management, specialist activities such as engineering, and an increasing amount of sales work.

Mr Hemery agreed that people who did well in jobs like those would probably have traits in common with sporting champions. We speculated, for example, that although aces in either field would not necessarily have done well in academic examinations, they would be highly intelligent in other ways.

One shared strength would be in rapidly and accurately grasping the meaning of complex goings-on, including other people's behaviour, and responding appropriately. In other words, they would be excellent at perceiving new information through the senses and acting on it, even if they were less good at intellectually processing information already recorded.

When the lunch was over, the former Olympic champion went away to write a book on his findings. A copy of it* arrived in the FT offices the other day. It is based on lengthy face-to-face interviews with 63 top athletes, players and performers, amateur and professional, from 22 sports

The book in a minor way denies the notion that there are greater similarities than differences between the champions and the generality of successes in the everyday working world. In one particular case it is the difference which is the more striking. That is the case of the entrepreneur who builds up new businesses, as distinct from working innovatively at something more specific.

While engaged in his major research project, David Hemery did a subsidiary study for the Odgers consultancy of people who besides winning international sports honours had successfully set up in business. These "double achievers" had all had extrovert personalities from the start. But the 63 purely sporting champions were mostly introverted initially, although the bulk had become more outgoing in the course of acquiring fame.

Younger years

Moreover, it has been shown by several other studies of entrepreneurs that they have typically undergone some searingly unhappy experience in their earlier years. The sports aces had overwhelmingly had happy, stable childhoods. They had rarely been pushed by parents, but only provided with generous support in the activity they chose for themselves and which, on average, they had not begun to specialise in until they were 16.

Another difference may lie in the observation that entrepreneurs get much of their motivation from beating other people, as people, in the business game.

Although the sports champions were no less determined to win, what primarily drove them was the urge to beat not human competitors but their own best performance. A lust for doing other people down, said Al Oeter, four times Olympic discus champion, is "negative and will ultimately force someone out of sport."

Many of them despised the media for encouraging the belief that only the single ultimate winner has achieved a truly worthwhile performance whereas, from any sensible viewpoint, all those who compete at first-class level are doing remarkably well (perhaps 18th isn't so awful after all).

An attempt to promote the sensible view was made during the 1982 Commonwealth Games by the decathlete Daley Thompson, whose defiance of convention in other ways often earns him criticism. Having won his event, he got every other contestant to go to the rostrum with him. While only three could receive medals, all shared the crowd's applause.

But though the champions differed strikingly from entrepreneurs, it seems that they have emphatic similarities with other kinds of innovative achievers in the more ordinary fields of work. Daley Thompson's generous action will be recognised by everyone who has worked under a top-class manager, for instance. Another shared trait is willingness to work very hard to build competence, step by step, without any near prospect of significant external reward.

What is more, the expectation that the champions would be high in sense-led intelligence was more than just confirmed. Indeed the bulk of them use their senses in a way that—probably because I do not do it myself—I had never before recognised that they could be used. Because of that, although I know many of you readers are in holiday mood, I would be grateful to know if those of you in innovative jobs do the same when a key occasion is looming up.

The most important common trait of the champions, David Hemery says, was that with few exceptions they prepared themselves for not only the effort but the tactical circumstances of the coming event by sensing "with the greatest possible clarity" how it was likely to go. "At times this involved using all their senses, they would imagine the sound, sight, touch, taste and smell of the coming challenge and its successful outcome."

He adds that for months before the 1968 Olympics he lay awake anticipating his performances in that way, and "my pulse rate and breathing would come close to what I would actually experience in a race." In short, he was running the event in advance just as he runs it still when he sees the video film.

Two of the few sports aces who do not prepare their senses in advance are the middle-distance runners Sebastian Coe and Steve Ovett. But look how often, the book says, those two "have run themselves into tactical trouble. They . . . react to their surroundings rather than having rehearsed options."

*The *Pursuit of Sporting Excellence. William Collins. £12.95.*

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The UK arm of a major established Italian Bank has developed its activities across the field of Corporate Finance, including mergers and acquisitions as well as financial re-organisations and fund-raising. To play a leading role in the marketing, development and servicing of this increasing business, they now require a Mergers and Acquisitions Manager.

You will be responsible for analysing and assessing potential business, plus administering on-going work to ensure compliance with legislation and existing regulations. As this work is likely to involve companies throughout Europe, some travel will be necessary.

This position will ideally suit someone currently in M and A work, in a merchant bank or stockbroker, who now seeks the opportunity to make an impact within a small team. Ideally, you will be in your mid-twenties with a relevant qualification. Knowledge of Italian, or willingness to learn, is also necessary.

An attractive salary will be negotiated and additional benefits will include car, non-contributory pension, subsidised mortgage and private medical insurance.

Please send full CV quoting reference MCS/6089 to Alannah Hunt
Executive Selection Division
Price Waterhouse
Management Consultants
No 1 London Bridge
London SE1 9QL

Price Waterhouse

UK EQUITY SPECIALIST FUND MANAGER

A prominent and well established unit trust group who already have considerable sums under management and an excellent performance record, require an additional fund manager to take over the running of various UK equity trusts.

As a Fund Manager, the candidate will be fully responsible for managing the portfolio under his/her control and for the consequent performance of the trusts. He/She will also be expected to contribute towards overall UK investment policy.

Our clients, who are part of a major UK merchant banking group, require some evidence of successful fund management from candidates and would ideally like to appoint a graduate with at least three years' experience of running UK equity funds. Some knowledge of smaller companies would also be useful.

The post carries an attractive benefits package, which is negotiable in line with age and experience but includes the usual merchant banking benefits of car assisted mortgage etc.

Please write including a CV to Ivan Cann at Foster Turner & Benson, Chancery House, Chancery Lane, London WC2A 1QU.

FT+B
Foster Turner & Benson

Corporate Dealing

Head up a new team selling money market services to premium European business

This is an opportunity to join one of the world's largest and strongest banks in a key, senior position. This bank is already very active in the London money markets, trading currencies, instruments and a variety of other new products. You will build and direct a new team to generate high value business from top quality corporations in both the UK and Europe.

Candidates will be selected on proven ability to sell money market services producing substantial gross profit. You should be aged at least 28, currently be in Corporate Dealing with a major bank and have the experience or potential to lead and motivate a successful team.

In addition to a competitive salary and benefits package, the bank will pay a performance related bonus.

To apply, please write to John Sears, 11/15 Wigmore Street, London W1H 9LB or telephone 01-629 3532.

John Sears

– International Banking –
Investment Management Services
Focus on Marketing

Capitalise on your fund management experience by moving into a front line marketing role. Your enthusiasm for marketing and direct client contact will ensure excellent career progress within this wholesale commercial British bank with the prospect of prime responsibility for the marketing effort.

Reporting to the Head of Investment Management, you will be involved in all aspects of marketing the Bank's investment management services with specific responsibility for the preparation of investment proposals and the development and maintenance of systems for monitoring potential clients. You will generate new relationships with institutions, corporations and individual investors with a concentration on fixed income products in the international and domestic capital markets.

A graduate in your 20's, you have at least three years' experience in fund management, probably in fixed income markets gained in a merchant/international bank, a fund management company or a stockbroker. Energetic and outgoing, you will have well developed communication and presentation skills and wish to be totally marketing oriented.

Remuneration includes a negotiable salary commensurate with your experience, plus an attractive range of banking benefits.

Please apply, in complete confidence, to Carmina Leon Ogle of Cripps, Sears & Associates Limited, Personnel Management Consultants, International Buildings, 71 Kingsway, London WC2B 6ST. Tel: 01-404 5701.

Cripps, Sears

A communications role in Financial Services

AUTHOR - INVESTMENT REVIEWS

£12-15,000 · Central London

As the investment management subsidiary of the Prudential Corporation, PPM (Prudential Portfolio Managers) is Britain's largest corporate investor and has an outstanding record of fund management for a broad base of clients. Liaising with and reporting to these clients on a regular basis, and to the highest standards, is a vital aspect of our service.

To join the investment marketing team in support of our Fund Managers is an opportunity for an articulate man or woman, probably aged mid to late 20's who can combine a broad awareness of financial matters with an ability to write lucidly and logically.

Your role will include:
- information gathering
- market intelligence research

which will equip the author to
- write concise investment analyses

for a range of clients and sometimes involve making presentations on a face to face basis. In each respect, personality and confidence are important requirements when liaising with and representing PPM's Investment Managers.

You're not expected to be a financial specialist, although experience in the financial services field would be a distinct advantage. A background knowledge, coupled with marketing acumen, will be essential for this highly responsible role which, besides being stimulating in its own right, will develop valuable knowledge and lead to exceptional scope within the Marketing Division at a time of significant expansion.

An attractive £12K-£15K package is offered together with fringe benefits which include a subsidised mortgage and non-contributory pension.

Please write enclosing full details of your career to date to:
Patrick Margrave, Personnel Officer,
Prudential Portfolio Managers Ltd.,
142 Holborn Bars,
London EC1N 2NH.

PRUDENTIAL PORTFOLIO MANAGERS LTD
A Member of the Prudential Group.

BANKING APPOINTMENTS
WITH
ABU DHABI COMMERCIAL BANK

Abu Dhabi Commercial Bank is a UAE incorporated bank with a paid-up capital of U.S. Dollars 340 million. It has a network of 21 branches in the UAE, a branch in Bombay and a representative office in London. Vacancies exist for the following positions at the Bank's Head Office in Abu Dhabi.

1. **Chief Internal Auditor**
   Salary range — From U.S. Dollars 65,000 to 82,000 per annum depending on experience (Tax free).
   The candidate must be an A.C.A. or an A.C.C.A. and must have at least seven years of Bank Audit experience, either with a large commercial bank or with a well-known Audit firm. Computer Audit experience and knowledge of Arabic language are preferable.
2. **Accoutant (Three positions)**
   Salary range — From U.S. Dollars 33,000 to 58,000 per annum depending on experience (Tax free).
   The candidate must be an A.C.A. or an A.C.C.A. and must have at least five years of Bank operations, Settlement or Audit experience with a medium size International Commercial Bank.

The above positions carry attractive fringe benefits such as furnished accommodation, Air tickets for holiday travel, medical insurance and end-of-service benefits.

Further details could be obtained from our London representative office.

Applications giving full particulars of qualifications and experience should be forwarded to the following address:

ATTN: MR. PHILIP D. BREWER
ABU DHABI COMMERCIAL BANK
18th Foor, St. Alphage House
2 Fore Street
LONDON EC2Y 5DA
Tel: 588-1620 Telex: 8814627 CITY SP G

International Bond Sales

A world-wide leader in investment banking is presently seeking financial professionals with substantial experience in International Bond Sales interested in working in New York City.

Initial training will take place in London, where selected applicants will become familiar with the many quality products and services of our prestigious firm. From there, you will be assigned to our New York City headquarters office where you will begin a three year assignment within the rapidly expanding Fixed Income Division, specializing in International Bond Sales.

We offer an extensive compensation package, which includes an excellent salary and incentive/bonus plan, and a comprehensive benefits program, including profit sharing.

If you are interested in the challenge of investment banking in the dynamic arena of New York City, then please forward your resume, in confidence, to: Box A0228, Financial Times,
10 Cannon Street, London EC4P 4BY

Equal Opportunity Employer

Jonathan Wren

INTERNATIONAL PORTFOLIO MANAGER
£30,000 to £35,000 aae

A major international bank wishes to appoint an experienced portfolio manager into its investment subsidiary. Applicants should be graduates with extensive background in any global equities market and are unlikely to be over 35 years of age. Our client is looking for specific experience in the US, Japanese or any other European markets. In addition to the excellent salary, full banking benefits are offered together with significant opportunities for career advancement. Contact **Roger Steare or Fiona Pearson.**

COMPENSATION & BENEFITS
£20,000 +

The integration of merchant banks and stockbrokers, the increasing complexity of the remuneration system and the more frequent employment of expatriates, both in London and abroad, has given rise to a number of specific vacancies in our client banks. Direct banking experience in compensation and expatriate administration is essential, as is creative ability. Successful candidates are likely to be 28 to 35, with IPM or other appropriate qualification. The package is likely to include a car, mortgage, and participation in bonus arrangements. Contact **Mark Forrester.**

SYDNEY — **Jonathan Wren** — HONG KONG
Recruitment Consultants
170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

International Fund Manager
Senior Equity Analyst/
U.K. FUND MANAGER

£20,000-£25,000 p.a. + Mortgage

(CENTRAL LONDON)

Sun Life of Canada, one of the world's largest life assurance Companies, has over £1 billion of assets under management in the UK, including some £450 million in equities. The range of funds is expected to increase substantially over the next few years and our highly successful investment team is now expanding.

We are seeking two people:—

An INTERNATIONAL FUND MANAGER, who should have experience of operating in U.S. and Japanese equity markets, and who will take responsibility for our unit-linked range of International Funds.

An EQUITY ANALYST, who should have relevant experience as an analyst and who is seeking to take on portfolio management responsibilities in the near future.

Company benefits are excellent and include a subsidised mortgage scheme and non-contributory pension scheme.

If you are interested in either position, please send your C.V. to:

Susan Hanington, Employment Adviser
SUN LIFE ASSURANCE COMPANY OF CANADA
2, 3 and 4 Cockspur Street, London, SW1Y 5BH
Tel: 01-930 5400 ext 121

SunLife of Canada

ROYWEST TRUST, ISLE OF MAN

PORTFOLIO MANAGER

Roywest Trust, a leading international bank and trust company, has a vacancy in the Isle of Man for a Portfolio Manager. The successful applicant should have experience in international bonds/equities and a degree or an equivalent would be an added advantage. Assets managed are multi-currency and applicants must be able to manage international portfolios on their own initiative. The job to be filled offers a very attractive salary and benefits package, which includes a pension plan, medical and life insurance.

The Roywest Group is associated with National Westminster Bank PLC and the Royal Bank of Canada Group.

Write to:
C. R. Middleton
ROYWEST TRUST CORPORATION
(ISLE OF MAN) LIMITED
33 Athol Street, Douglas, Isle of Man
or telephone (0624) 27124

Appointments Advertising

£41 per Single Column Centimetre and £12 per line

Premium positions will be charged £49 per Single Column Centimetre

For further information call:

Louise Hunter 01-248 4864
Jane Liversidge 01-248 5205
Daniel Berry 01-248 4782

LLOYDS MERCHANT BANK GOVERNMENT BONDS

In preparation for 'Big Bang', Lloyds Merchant Bank Limited has launched a new company to trade in the Gilts market of tomorrow. Lloyds Merchant Bank Government Bonds will play a leading role in this highly competitive market.

Tailor-made for the new trading environment the new company is a product of design rather than expediency. To this end it has already assembled *an experienced team* covering the full spectrum of research, sales, trading and settlement.

Lloyds Merchant Bank Government Bonds is already operating from premises specifically designed to take advantage of the new market and to provide the type of investor driven service that we shall offer to our clients.

For candidates of the highest calibre who can work as part of a team, opportunities still exist to join a highly motivated organisation. In particular, we are looking for an additional Gilt Salesperson and a Technical Analyst with experience in the financial futures and options fields.

Candidates exhibiting the necessary combination of expertise, dynamism and flair can expect a competitive package – plus the opportunity to work with one of the front runners in the market of the future.

Gilts

THE WAY AHEAD

Please apply to Bob Openshaw
Lloyds Merchant Bank Government Bonds
40-66 Queen Victoria Street
London EC4P 4EL
Telephone 01-248 2244

Lloyds Merchant Bank Government Bonds is a part of the Lloyds Merchant Banking Group

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HENDERSON ADMINISTRATION LIMITED

INVESTMENT MANAGER

Henderson Administration Limited is one of the leading wholly independent investment management companies in the City of London, currently managing portfolios of over £4.5 billion.

Approximately half of this is represented by the pension fund division and as a result of continuing growth, Henderson is looking for another experienced investment manager.

Candidates should have at least three years' experience in the management of pension funds and will be expected not simply to be good at investment management, but also to show ability to communicate well with clients.

The successful applicant is unlikely to be less than 28 years of age and will probably have a degree or equivalent professional qualification.

The remuneration package will be highly realistic but we are looking for candidates who are seeking a career move into a successful and stable investment management company with excellent long-term prospects.

Applications will be treated in the strictest confidence.

Candidates are asked to write in their own handwriting to C. G. Clarke, Henderson Administration Group plc, 26 Finsbury Square, London EC2A 1DA.

HENDERSON ADMINISTRATION GROUP PLC
TOTAL FUNDS NOW MANAGED BY THE GROUP EXCEED £4.5 BILLION

Banking Manager

West End Office

FURTHER growth and development of our banking services to smaller companies creates an opportunity for an experienced banker at our Pall Mall office.

We seek an individual with ideas, ability and ambition who will want to use their training and experience in a demanding, fast growing, new business orientated environment. Likely age is around 30, the successful candidate will ideally be a graduate, AIB qualified and already holding a managerial appointment.

An excellent salary and a full range of fringe benefits, including a car, will be negotiated with the right person.

Please write, enclosing a detailed curriculum vitae to A. F. Brignall Esq., Assistant Director, Head of Personnel, Hambros Bank Limited, 41 Bishopsgate, London EC2P 2AA.

HAMBROS

FLEMINGS

INVESTMENT ANALYST – INDUSTRIAL HOLDING COMPANIES

In addition to making markets in leading UK and European Electronics and Pharmaceutical shares, Robert Fleming makes a market in the shares of the following eight UK Industrial Holding Companies:

- BTR
- EVERED HOLDINGS
- HANSON TRUST
- PARKFIELD GROUP
- SIEBE
- SUTER
- F H TOMKINS
- WILLIAMS HOLDINGS

We are looking to expand our coverage of this fast growing area and wish to recruit an analyst with at least three years relevant experience. The successful candidate will be expected not only to produce high quality written research but also to communicate his or her views effectively to our institutional clients.

This post offers an attractive salary plus all the usual banking benefits.

Applicants of either sex should write enclosing their curriculum vitae to:–

Frank Smith,
ROBERT FLEMING & CO. LIMITED,
25 Copthall Avenue,
London EC2R 7DR.

EQUITY SALES

A leading market name requires additional staff to join its well established team.

This is an excellent career opportunity and the salaries will reflect the importance of these positions.

EURO-STERLING AND GILT EDGED

Also required are two people with 1-2 years experience in Euro-Sterling and Gilt-Edged sales to service existing European clients.

The package for these positions will be in the region of £20,000, with extremely good prospects.

Please send C.V. or telephone in strictest confidence Peter Golding on 01-377 5040.

MAJOR INTERNATIONAL BANK-BONDS

An internationally renowned bank is dramatically expanding its bond operations and is seeking F.R.N. and Bond Traders, Senior Bond Settlement and New Issue Clerks, also less experienced Bond Settlement and New Issues people.

Regarding the last position
please write or speak with
Elizabeth Hayford on
01-377 5040
in strictest confidence

LJC BANKING

146 Bishopsgate, London EC2M 4JX: 01-377 8600

Jonathan Wren

DESK DEALERS – FUTURES, GILTS

£30,000

A dealer with substantial experience developed in a futures, financials or S/E gilts floor background is required for a major City based financial conglomorate. Applications are invited from those individuals who can achieve a results related salary package exceeding £30,000, although applicants with less experience might also be considered.

LIFFE FLOOR TRADERS

to £20,000

Three major financial groups have asked us to identify LIFFE floor traders with sufficient experience of all major contracts to step across into existing teams. No details will be released to our clients until after any initial discussions with our consultants.

Contact Michael Hutchings.

All applications will be treated in strict confidence.

SYDNEY — HONG KONG

Jonathan Wren
Recruitment Consultants
170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

SYSTEMS ACCOUNTANT

c. £16,500 + two car package — **West of London**

The company is the successful UK subsidiary of an international automotive giant. Recent internal promotion has created a need for a Systems Accountant, whose major role will be the optimisation of financial procedures throughout the company. Management style is assertive and idiosyncratic, so we are looking for a qualified accountant with the ability to work independently, outside the main stream, communicating positively yet logically with tough-minded colleagues. Ideal candidates will be in their late twenties; they will have spent their early years with a large professional firm, and their track record will demonstrate some experience of internal audit and a clear knowledge of software accounting (preferably gained on an IBM mainframe with compatible PC systems). There is plenty of scope both for job satisfaction and for career development: the previous occupant of this position is now Chief Accountant! Please send full career details to Mike Atkinson, quoting reference LI 6146.

LINK 13/14 Hanover Street, London W1R 9HG. Tel 01-493 5788.

Link International Search & Selection Ltd.

RECRUITMENT CONSULTANT

BANKING and FINANCE

We are a large well established recruitment organisation currently involved in the construction and engineering markets. As part of our planned growth we intend diversifying into the Banking, Finance and Insurance sectors of recruitment.

We are therefore inviting applications from individuals at present involved in recruitment in these areas who wish to use their *skill and experience to develop a new company. We are able to offer excellent* benefits packages including future equity participation.

All applications will be treated in strict confidence
Write Box A0219, Financial Times, 10 Cannon Street, London EC4P 4BY

NZI INVESTMENT SERVICES LIMITED

INTERNATIONAL FUND MANAGEMENT

We are an investment management company dealing for both institutional and private clients and require an experienced fund manager familiar with the Eurobond and Continental European markets as well as the UK markets. We offer a competitive salary package.

Please write enclosing full C.V. to:
The General Manager
NZI Investment Services Limited
117 Fenchurch Street, London EC3M 5BB
Tel: 01-481 3064

A member of NZI Corporation Ltd.

Accountancy Appointments

Key role with a general management dimension

Financial Director

West Midlands — *£25-30,000 + car*

The Company manufactures a range of metal components for a wide variety of applications and markets. Turnover now exceeds £7 million and the prospects for growth are excellent. A successful programme of diversification is now well under way, and subsidiary companies have been established in France and Germany.

To support continued expansion, the Company now seeks to recruit a Finance Director. In addition to this main board role, the appointed candidate will have full operational responsibility for a manufacturing division.

Candidates, probably in their 30s, must be qualified accountants with at least 2-3 years experience in manufacturing industry. Expertise in product costing, financial planning and cash management is essential, as is a thorough understanding of computerised management information systems. Management ability is critical to the appointment. Candidates therefore, must demonstrate proven leadership and communication skills. Commercial awareness and analytical strength are also vital.

The benefits package includes profit share and, where appropriate, generous relocation assistance.

Please send full personal and career details in confidence to Patrick Boland, quoting reference 1631/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultancy Division
Edmund House, 12-22 Newhall Street, Birmingham B3 3DX.

Careers in . . .

INTERNATIONAL BANKING

for the Recently-Qualified Accountant

As one of the most active consultancies serving the merchant and international banks in the City, we are well-placed to offer specialist advice to young Qualified Accountants wishing to enter this sector. We can always offer a considerable range of career opportunities and entry routes into banking; in particular, at present we would welcome applications for the following . . .

SWAPS ACCOUNTANT to £20,000

Our client is a London based bank, with a high profile in both commercial and investment banking. Following the creation of a new department, the Swaps Accountant will be a key member of the team, responsible for assessing all aspects of product profitability for the bank's trading activities, including currency and interest rate swaps. Developing accounting policies for all new products, the successful candidate, who will be a recently qualified ACCA/ACA/ACMA, must be capable of dealing confidently at senior levels within the bank.

Contact: Felicity Hother

FINANCIAL ACCOUNTING £17,000

Our client is a progressive merchant bank with a leading presence in international capital markets. A policy of centralisation of the bank's procedures has created this new opportunity for a recently qualified ACA, to specialize in planning and organizing accounting operations. Working closely with a young management unit, you will be covering financial and management reporting and ad hoc assignments for the entire group, with emphasis on accounting systems. Developing prospects for career advancement are excellent within this growing organisation, and will suit an ambitious self-motivated individual.

Contact: Felicity Hother

NEWLY QUALIFIED ACCOUNTANT (French Speaking) up to £17,000

Our client is one of the largest and most respected French banks. Their ambitious growth plans for the London branch have resulted in an interesting opportunity at the Newly Qualified level. The role will involve considerable responsibility for the day to day accounting, but will also involve particular development work in management reporting systems. Much of the present management within the branch is new and this position will play an integral part in a growing management team.

Contact: Kevin Bryne.

Anderson, Squires Ltd., Bank Recruitment Specialists, 127 Cheapside, London EC2V 6BU

Anderson, Squires

UK FINANCIAL CONTROLLER

c£27K + car — *Thames Valley*

One of the world's foremost manufacturers of high technology computer based systems has created an exciting position within the Senior Management team of its UK subsidiary.

Reporting to the Managing Director you will be responsible for; ensuring the efficient running of all Financial and Management accounting services; the computerisation of existing operations; the day to day management of a substantial department of staff.

You should be at least a Certified and desirably a Chartered Accountant with at least 3 years experience in a total finance function using computerised financial and management accounting systems.

The remuneration package is excellent and contains all of the normal multi-national fringe benefits.

For an immediate discussion call Tony McGrath on 01-637 9611 (during office hours) or on 01-699 1622 evenings, or alternatively send him your CV at the address below.

MANAGEMENT & EXECUTIVE SELECTION
SECOND FLOOR ALBANY HOUSE
324 REGENT STREET LONDON W1R 5AA 01 637 9611

Finance & Operations Director

East Anglia — **c£27,000 + car + bens**

Our client is an £11m t/o subsidiary of one of the world's leading pharmaceutical groups. Manufacturing and marketing a diverse range of ethical, OTC drugs and consumer products, the company continues to grow organically and its commitment to market research is substantial.

Due to international promotion, the company is seeking to recruit a Finance & Operations Director to be responsible for some 100 staff including a sizeable accounting team. The mainframe systems are currently being updated to further enhance operational efficiency.

A graduate ACA/ACMA, aged mid 30's, you will probably be acting in a senior financial capacity within a multinational concern. US reporting experience is essential as is flexibility to undertake ad hoc visits to Europe and the US company headquarters. Personality and presence are of the utmost importance for this highly visible role as you will need to liaise with all levels of non-financial management and make a positive contribution to the company's strategic development. Previous experience in an operations role is desirable.

This appointment represents an outstanding career move and the successful candidate should be capable of an international appointment within 2/3 years.

The remuneration package is highly attractive and will include substantial benefits and relocation expenses where applicable.

Interested applicants should write to Geoffrey Rutland ACA, ATII, Executive Division, enclosing a comprehensive C.V., quoting ref 332, at 39-41 Parker Street, London WC2B 5LH.

Michael Page Partnership
International Recruitment Consultants.
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Paris Sydney
A member of Addison Consultancy Group PLC

FINANCIAL ACCOUNTING MANAGER

City — Excellent salary + package negotiable

The Bank of England wishes to appoint a Chartered Accountant to manage its financial accounting function.

Primary responsibilities will be the preparation of published and internal accounts and statements, all tax matters and the provision of ad hoc financial accounting advice throughout the organisation.

Candidates should have a minimum of three years' post-qualification experience and be able to demonstrate a comprehensive knowledge of financial accounting and corporate tax, with the ability to apply this acquired knowledge and experience to problem solving.

Candidates, aged 26-36, should have proven abilities in the leadership of a professional team and possess communication skills for liaison with senior staff. The post could offer a first move away from a professional office.

Application forms may be obtained by writing to the address below, or by telephoning 01-601 4518/4618. The forms should be returned by 22nd August.

Applications to: **Mr D A Sharp, Personnel Division (HO-5), Bank of England, Threadneedle Street, London EC2R 8AH.**

The Bank is an Equal Opportunities Employer.

BANK OF ENGLAND

RAC

AUDIT QUALITY CONTROL MANAGER

£16,500—£20,000 PLUS CAR — **CROYDON**

The Royal Automobile Club is a group of companies engaged in the provision of a range of services to motorists including insurance broking and the operation of a private members club.

Group income is £84 million p.a. and some 3,600 people are employed throughout the United Kingdom.

An opportunity has now arisen for a commercially orientated dynamic individual to join a young and professional internal audit department whose scope includes all of the groups' activities.

The person appointed will be responsible for ensuring that the standards set for audits are being achieved in terms of the objectives and work methods as well as the utilisation of resources by the staff engaged in audits.

The individual we are seeking will be a qualified accountant, preferably a graduate, who can offer experience in systems based and computer audits.

The successful applicant will possess good analytical abilities and well developed communication skills in addition to the tact, diplomacy and persistence necessary to fulfil this role.

Limited travel will be involved and a fully expensed car is provided. Additional benefits consist of free life insurance, a non contributory pension scheme and BUPA.

Applications, accompanied by a full C.V., should be sent to the Chief Internal Auditor, The Royal Automobile Club, RAC House, Lansdowne Road, Croydon, Surrey CR9 2JA.

MANAGEMENT CONSULTANCY

A well known and successful Management Consultancy has a requirement for both junior and senior consultants within its Financial and Business Consultancy. Assignments are varied and include improving business performance, corporate appraisal and reconstruction, raising finance etc. Candidates should be qualified accountants, aged between 25-35, with commercial flair and good communication skills. Opportunities are excellent within this rapidly growing environment.
Ref: LMS.
CITY — **£18-28,000 + Car**

CHIEF ACCOUNTANT

A small highly profitable manufacturing company, part of a diverse U.K. group, seeks a young Chartered Accountant to take full responsibility for day to day accounting and company secretarial matters. Working closely with the Managing Director the position embraces staff management, systems development and the analysis of business development projects, including acquisition studies. Suitable candidates, aged 27-30, will offer experience of corporate taxation and detailed accounts preparation, Exceptional candidates making a first move from the profession will also be considered.
Ref: PAB.
W. KENT — **£20,000**

Robert Half Personnel, Roman House, Wood Street, London EC2Y 5BA. 01-638 5191.

ROBERT HALF
FINANCIAL RECRUITMENT SPECIALISTS

POSITIVE FINANCIAL LEADERSHIP

(Manufacturing)

- ★ An £85m Division within a successful Midlands PLC.
- ★ To ensure that positive, financially orientated business management leadership is brought to bear on the Division's development.
- ★ A qualified accountant with proven senior financial contribution to a large corporate manufacturing operation. Age under 45.
- ★ Salary indicator is £22,000 per annum but this need not be a barrier to application. Other benefits will be those expected of a large PLC and include Company car.

Reply in confidence with full career details and current remuneration to Nicholas C. Jenkins quoting reference FT0306 at:

QMS Recruitment
Quorn House, 6 Princess Road West
Leicester LE1 6TP

Management Personnel

ACCOUNTING IN THE CITY

FINANCIAL EXECUTIVE
c£40,000 + car & bonus

You are a graduate ACA, probably in your early 30's; not only do you possess the necessary technical expertise to run bond or currency dealing operational systems, but also you have the ambition and acumen to develop them in the wake of imminent and rapid expansion. An internationally respected US financial services company is currently developing its City operations, creating this outstanding high profile opportunity for career development. Ref: PSW0255

MANAGEMENT ACCOUNTANT
to £25,000 + car

One of the most successful fund management organisations is achieving significant expansion and now seeks a recently qualified accountant (25-28) to join its small accounting team. Your responsibilities will include preparing financial information, liaising with senior directors on proposed budgets and analysing Group performance. Previous experience of micro computers is an essential prerequisite for pioneering the enhancement of their accounting systems. Your success in this role will ensure fast career progression. Ref: SW0246

Telephone: 01 256 5041 (out of hours: 023065 286)

10 Finsbury Square, LONDON EC2A 1AD.

MONTE-CARLO

Manager Designate

FF 240.000 TAX FREE

An international management company specialising in the administration of foreign campanies and trusts and the rendering of international tax advice is seeking a qualified accountant (ACA/ACCA/ACMA) for its offices in Monte-Carlo.

This is an exciting opportunity for a person in the age range 25-35. The postion will include inter alia office management, internal accounting and client accounting. Previous experience of computer applications, systems and utilisations an advantage.

The suitable applicant must have the ability to deal with clients and staff and be able to mix well in social circles.

Ability to speak French is important and another European language would be useful.

Several years' commercial experience would be an advantage.

Please write with full details to:

The Managing Director
HOOGEWERF & CO. S.A.M.
2 Avenue de Monte-Carlo
B.P. 343
Monte-Carlo
MC 98006 Monaco

Accountancy Appointments

Finance Director

S.E. London — **Package at £30,000 + car**

Our client is a profitable market leader in the supply of advanced minicomputer systems, with a prestigious client base ranging from major City institutions to a newly privatised corporation. Selling and servicing both hardware and software, it has established an enviable reputation and currently has a turnover of c£6.0m with clear opportunities for growth.

In addition to ensuring effective financial control, as Finance Director you will be responsible for leading the company through its anticipated phase of expansion by the purchase of other companies and possibly stock exchange listing. To fulfil this role, you will be required to maximise fund utilisation, secure additional resources and maintain an agressive awareness of the current market and its competition.

A qualified accountant, aged 35-45, you will undoubtedly be entrepreneurial and highly commercial with strong City connections. Your 'hands-on' experience of successfully negotiating credit lines, funding and leasing will probably have been gained in a small growth company.

The remuneration package for this high profile appointment will be negotiable and will include a director's bonus, executive car and future share options.

If you can demonstrate the business acumen and personal flair our client is looking for, please write, in the first instance, to Geoffrey Rutland ACA, ATII, Executive Division, enclosing a comprehensive c.v., quoting ref 331, at 39-41 Parker Street, London WC2 5LH.

MP

Michael Page Partnership
International Recruitment Consultants
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Standard Chartered

ACAs – Recently/Newly Qualified

CITY £18 – 25,000 + Banking Benefits

Strength in Depth across the World

A *statement* which truly emphasises the global presence of Standard Chartered Bank. With its extensive network of more than 2,000 branches in over 60 countries worldwide, Standard Chartered is the UK's leading independent international banking group.

To strengthen its Head Office team in London, the Bank is seeking three exceptional accountants within the following areas.

REGIONAL FINANCIAL CONTROL

The Bank wishes to appoint two accountants to join its Head Office team responsible for the financial control of worldwide banking operations. Working in regional teams, the individuals will assimilate and evaluate regional performance, appraise capital investment opportunities and perform various ad-hoc projects. Candidates must have *the ability to work well in a team, supervise staff and provide* financial advice to UK and regional management.

TECHNICAL RESEARCH

In this newly created appointment the successful candidate will be responsible for the continuing development of a technical advisory function for senior financial management. The individual will research the changing aspects of international accounting law and practice and will assess and interpret their impact on the Group. This is a key advisory role for an individual with an enquiring mind and well developed communication skills.

Applicants, aged between 24 and 28, should be newly/recently qualified Chartered Accountants or exceptional finalists awaiting results, who can demonstrate successful careers to date. They should be ambitious, highly motivated individuals with the ability to think creatively and to communicate effectively at the highest level. These positions will offer excellent experience in a major international banking group.

Please write, enclosing full career details, to Judith Richardson at Macmillan Davies, Recruitment Consultants, at Kingsbourne House, 229-231 High Holborn, London WC1 or call her on 01 242 6633.

Macmillan Davies
FINANCE AND ACCOUNTANCY

Financial Controller

Central London
c£25,000

Our client is a major professional society with a worldwide membership of over 30,000. The society provides a comprehensive range of services and activities for its members and is constantly seeking to improve standards and knowledge throughout the profession.

The society wishes to recruit a Financial Controller to manage its finance division. Key responsibilities will include developing and implementing effective accounting, control and management information systems, to cover all branches and groups. The successful candidate will also be responsible for providing financial advice and recommendations to the governing body.

Suitable candidates will be qualified accountants, with extensive financial management experience gained in either the public or private sectors. Experience of cost centre accounting or subscription accounting would be particularly relevant.

Please reply in confidence to: Joanna Corr (ref7412).

KMG Thomson McLintock
Management Consultants
70 Finsbury Pavement London EC2A 1SX

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

Planning Manager

c.£20,000 + car

HB 1667

Hedges & Butler Ltd, the wines and spirits merchants subsidiary of **Bass plc** is well known for Bacardi, Mouton Cadet, Mateus Rose and several other brands and products.

Following a reorganisation of the company a new position has been created for a qualified accountant or MBA aged 26-35. Reporting to the Finance Director and having regular contact with general management, there will be considerable involvement in future strategy including new products and acquisitions.

This is an important role in the company's development and will require previous experience within a sophisticated planning or management *accounting environment.*

The position, based in East London, offers future career prospects and generous fringe benefits both within Hedges & Butler and the Bass Group.

Please write with full career details to John P. Sleigh FCCA quoting ref. J/471/HF.

Lloyd Management
125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

ILG

Chief Internal Auditor

LEISURE AND TRAVEL INDUSTRY

VICTORIA — **TO £25,000+CAR+BENEFITS**

Rapid progress, development and diversification has resulted in the INTERNATIONAL LEISURE GROUP PLC *becoming a major force in the exciting and highly* competitive leisure and travel industry. Our Group has experienced strong growth as a result of creative management, continual product innovation and effective management control.

We now require an appropriately qualified Accountant, preferably with commercial experience, to undertake a high profile, demanding and trouble-shooting role. Reporting directly to the Group Finance Director, the Chief Internal Auditor will be responsible for reviewing and evaluating our Group's financial and operational systems/requirements necessitating frequent UK and overseas travel. In addition, special ad-hoc projects throughout our Group will involve "high visibility" at senior level; an immediate impact is essential; and this post should be seen as an initial introduction to our *business, leading* to a *more senior management position.*

To accept this challenge you must be in your mid to late twenties, ambitious, highly numerate and have first class communication skills. In return we will reward the right person with an attractive remuneration package.

Write, enclosing a full CV, to:
Carol Barry
Group Personnel Services Manager
at Stockley House, 130 Wilton Road, London SW1V 1LQ
INTERNATIONAL LEISURE GROUP plc

Young Ambitious Accountant

CITY MERCHANT BANK

Salary c£18,000 + Bonus + Banking Benefits

Our client, the progressive Merchant Banking arm of a leading International Bank, is committed to a continuing programme of diversification and expansion. This has led to an increase in the range and complexity of transactions, creating a challenging opportunity for a young Accountant to develop improved support functions.

This new role assumes immediate responsibility for the introduction and development of additional settlement controls, ensuring that adequate and timely financial records are maintained.

Candidates will be young (24-28) highly self motivated Accountants with some exposure to financial institutions (either within the profession or directly). Excellent interpersonal skills together with a strong analytical and problem solving ability will ensure accelerated career development within this entrepreneurial environment.

For further information please write, enclosing full career details, or telephone Susan Ross.

FIRTH ROSS MARTIN ASSOCIATES, WARDGATE HOUSE, 59A LONDON WALL, LONDON EC2M 5TP. TELEPHONE 01-628 2441

Firth Ross Martin
Financial & Professional Selection Consultants

High-Tech Accountant

C. London — **c. £20,000**

Our client, a high technology subsidiary (T/O £40 million), of one of Britain's major publicly quoted groups is currently setting the pace in a highly competitive market.

A *qualified accountant is required to join the management team.* The wide ranging brief will encompass financial and management reporting together with strategic planning to support the business now and in the future.

The position demands an outstanding individual who can combine technical competence with imagination, has well developed commercial instincts and *above* all, a *determination to* achieve agreed business objectives.

Longer term career prospects are excellent and not necessarily limited to the finance area.

Write with full CV and daytime telephone number to Patrick Donnelly quoting reference FT/108.

tfi **The Finance Index**
Financial Recruitment Consultants
11 Palmer Street London SW1H 0AB Tel: 01-222 5169/1181

Intelligent Environments Limited

FINANCIAL CONTROLLER

c.£20,000 + benefits package

Intelligent Environments Limited, a London-based software products company at the leading-edge of information technology, is seeking a Financial Controller to assist with the further development of its operations.

We specialise in products based on expert systems and artificial intelligence techniques and have recently received a substantial injection of venture-capital funding to implement our marketing strategy. A dynamic young CA/ACA/ACCA/ACMA, you will assist with this challenging and demanding phase of our development, and it is envisaged a market listing will be achieved within the next four years.

Initially, duties will include costing and budgetary control, preparation of monthly management information and annual accounts, legal and secretarial work, and the development of internal systems and procedures.

You must be conversant with microcomputer applications and will probably have experience of the software industry. Good communication and interpersonal skills and the ability to manage the financial affairs of the company through to a public floatation are essential.

Applications, which will be treated in the strictest confidence, should be addressed to Dr L T Shafe, Managing Director, Intelligent Environments Limited, 20 Crown Passage, London SW1Y 6PP.

Financial Director

Nottingham — **c. £22,000+car +profit share+benfits**

Our client is renowned for the innovative design and manufacture of *specialist railway infrastructure* engineering, *maintenance* and construction equipment. The Company has a turnover in excess of £3 million, and has a major export expansion programme based on recent and successful R & D.

The Company *requires an experienced, commercially-minded, qualified* accountant as part of the senior team. The appointee will play a key role in all financial, commercial, planning and administrative matters.

Applicants, aged over 30, must have gained practical management experience in a progressive career and have a sound knowledge of computer systems, gained preferably in an engineering environment.

In the first instance please write in complete confidence quoting reference 6659 and submitting a curriculum vitae, including current salary, to:

Peter Childs
Pannell Kerr Forster Associates
New Garden House
78 Hatton Garden
London EC1N 8JA

Pannell Kerr Forster Associates
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Appointments Wanted

CHARTERED ACCOUNTANT

34 years—10 years' professional experience

Presently Managing/Financial Director African operations *International Shipping/Trading Co.* Int. Finance, Forex Transactions, Commodity/Freight Costing, Personnel Management, Accounts Prep. Reporting, Profit Making Seeking new challenge, preferably based in UK, limited travel acceptable as

FINANCE DIRECTOR/ CONSULTANT

£30,000+

Write Box A0232, Financial Times 10 Cannon St, London EC4P 4BY

ACCOUNTANT

Oil and Gas Exploration Consultants

BASED IN SOUTH-WEST LONDON

UK subsidiary of major US corporation seeks a young well qualified accountant with sound commercial background to work with small team of professionals.

A *comprehensive financial service is required encompassing* preparation of management accounts, project accounting, budgeting, financial forecasting and intracompany reporting to multinational US parent.

Experience with an International company and ability to implement a computerised accounting system would be desirable.

Salary: In the region of £15,000 p.a.

Please write with resumé to: Box A0225, Financial Times, 10 Cannon Street, London, EC4P 4BY.

Accountancy Appointments

Group Taxation Manager

To £40,000 + car and share options

The City — *Age: 28-40*

The appointment is with one of the UK's leading international trading companies. It has operating subsidiaries and interests throughout the world and an annual turnover in excess of £5 bn. In recent years property and financial services businesses have been added to the core activities.

Reporting to the Group Financial Director, the Group Taxation Manager will assume total responsibility for all aspects of tax planning and liaison with the Group's Tax Advisers and the Revenue.

Candidates should have significant senior level experience of international tax practice. This may have been gained in commerce or the profession and would ideally include exposure to trading operations. The individual appointed will offer a strong intellect and considerable commercial acumen. Other personal qualities will include drive, determination and well-developed communication skills.

Please reply to Martin Manning in strict confidence with details of age, career and salary progression, quoting reference 1633/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultancy Division
P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

Corporate Planner

Dynamic Retail Environment

London — **c£25,000 + car + high bonus potential**

Our client is one of Britain's leading retail groups with sales turnover in excess of £700 million. The group has increasingly gained a reputation for innovative progressive retail management and recent months have been a time of considerable change including a major management reorganisation. As part of this, there is now an urgent requirement for a very high calibre Corporate Planner to join the team with a view to a fast-track career within the group.

You will be expected to make a major contribution to the strategic management of the Group with considerable contact at director level. Areas of responsibilities will include:

★ Devising, implementing, updating and agreeing half yearly, annual and five year plans.
★ Evaluating current store and product performance targets and markets.
★ Creating and developing corporate planning models.
★ Instituting market appraisal analyses.

The position demands the ability to gain a thorough understanding of the business in relation to its markets. Hands-on experience of micro-computer modelling would be an advantage.

Candidates will be qualified accountants or MBA's, probably aged early 30's, with considerable energy and initiative. Well developed communication skills will be an essential requirement.

The first class salary and benefits package will be complemented by a bonus scheme which is likely to considerably enhance your basic remuneration.

Interested candidates should write to Nigel Bates FCA, Executive Division, enclosing a comprehensive CV, quoting ref. 333, at 39-41 Parker Street, London WC2B 5LH.

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Paris Sydney
A member of Addison Consultancy Group PLC

Hi Tech Opportunity
Financial Manager

South Coast — **c£21,500 + Benefits**

Our client is an autonomous division of a major international corporation whose success has been built on technology serving a variety of industries. The division designs, manufactures and markets sophisticated computer driven systems for use in advanced manufacturing environments.

As a result of internal promotion, they now seek to appoint a Finance Manager for their European Business Operations. Reporting to the European Financial Director you will be responsible for the flow of financial information and systems enhancement for these operations. In addition, a positive contribution to senior management decision at their UK based European headquarters will be expected.

Ideally, applicants will be graduate ACA or ACMA, probably aged 25-30 with an excellent track record of achievement to date. The ability to communicate effectively at all levels, combined with a strong desire to accept responsibility and obtain results is a pre-requisite as the prospects for advancement are known to be exceptionally good.

The rewards for this challenging position will be an excellent salary, large company benefits, including a relocation package and the opportunity to join one of the best financially managed companies offering unrivalled prospects to committed accountants.

If you are young and ambitious and feel that this may be the opportunity for you, then write, quoting Ref: B8059 to Stephen Doyle ACA, Michael Page Partnership, St. Augustine's Court, 1 St. Augustine's Place, Bristol BS1 4XP or phone him on 0272 276509 (24 hours).

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

A Key Finance Position for an Ambitious Business Manager

In today's most successful organisations, the Accountant's traditional image is one very much of the past. Much more is now expected of the men and women who take on this role. In addition to having the financial expertise that has always been required, they are also valued for their all-round business management skills and their ability to make a major contribution to an organisation's overall operational effectiveness and information management at all levels.

And nowhere is this more evident than at Parker Hannifin, world leaders in fluid power technology.

We're a US-based, multi-national corporation with European sales of around $300 million including over $70 million in the UK. Fast growth, heavy investment worldwide and an outstanding financial performance have provided us with an exceptional base for further expansion and we are now looking for a man or woman with demonstrable professional skills to join us at our European Headquarters located at Watford. This key appointment calls for a knowledge of US accounting principles together with an ability to apply tight financial controls and strict reporting procedures in a multi-national operation.

Financial Accountant

c.£18,500+car

We are looking for someone with a strong personality who can display leadership and a high level of professional credibility while working in a team under the Finance Manager (UK). You should be a Chartered Accountant with at least three years' experience, some of which should have been gained working in one of the UK's "big ten" Accountancy firms. A thorough knowledge of asset management, cash flow, taxation and computerised systems is essential together with well developed man-management skills. You will be involved in a wide range of major projects, one of which will be the centralisation of all UK accounting systems and procedures.

If you have the necessary high level of professional competence and are able to make an immediate and measurable contribution to our continuing success, then your future career prospects are outstanding. Interested applicants should write with full cv to Leszek A. Marcinowicz, Personnel Manager, UK, Parker Hannifin, Star House, 69-71 Clarendon Road, Watford, Hertfordshire WD1 1DG, or telephone Watford (0923) 46611 ext. 265 for an application form.

Parker

FINANCIAL CONTROLLER

For a private company situated 12 miles south east of London engaged in light industry. The initial task will be to develop cost and management accounting systems and instal a micro-computer. The successful candidate will ultimately take over from Financial Director on his retirement. Preference will be given to applicants with A.C.M.A. or similar qualifications aged around 30. Salary to be negotiated. Reply to: Bernard Wheeler, 7 Wine Office Court, Fleet Street, London EC4A 3BY.

Financial director

Hampshire, £25,000 + car

C&L

Accepting that tight financial control backed by effective systems and perceptive planning are essential to profitable growth does not come easy to some companies. This company is not in those dark ages and this appointment is a key one in ensuring continued success. They turnover in excess of £4 million from the manufacture of advanced products using the latest technology.

You will be the person who will introduce the systems, develop product costing and produce the budgets and plans. In doing so, you must build a finance team that commands respect and makes a major contribution to the growth they are planning.

Aged in your mid to late 30's and a qualified accountant with a manufacturing background, you must be able to demonstrate sustained achievement in the management of a finance function. The development of systems and product costing must be a strength. As a member of a close knit management team, you will have a wide influence on the company's strategies and future success.

Résumés, please, including a daytime telephone number, to David Owens, Executive Selection Division, Ref. D195.

Coopers & Lybrand associates
Coopers & Lybrand Associates Ltd
management consultants
22a The Ropewalk
Nottingham NG1 5DT

FINANCIAL DIRECTOR

Circa £30,000

Our client is a £100 million turnover subsidiary company of a British group engaged in high technology engineering. The company is performing well, has a strong order book and business prospects are good. The location is an attractive part of the South Midlands.

In addition to the management of the finance function, the Financial Director will undertake a broad business role, being fully involved in all aspects of the management of the business, including having the responsibility for the development of management information systems.

Candidates will be fully qualified, probably aged over 35 and are likely to be heading a finance function in an engineering company.

In addition to a salary of c. £30,000, there is a company car, which is fully expensed, a good pension scheme and payment of relocation costs.

Please write with full cv enclosing a covering note identifying companies to which your application should not be sent, quoting reference No. J025 to:

Peter Jones
STRATTON MORGAN AND ASSOCIATES LIMITED
Selection Consultants, 7 Cavendish Square, London W1M 9HA

MANAGEMENT ACCOUNTANT c.£16,000+

Cromwell Hospital

a private hospital with an international reputation for high standards in a wide range of clinical services and patient care, is seeking a qualified Accountant.

The main responsibility will be for the development of the Management Information System which operates in a constantly changing service environment. As part of this work, the Management Accountant will be responsible for budgeting; monthly accounting, forecasting and reporting; investigations and pricing reviews. The work will be undertaken with two support staff and will require liaison with a wide range of service department managers.

Applicants, male or female, should be qualified (ACMA or ACCA) have several years experience in management accounting, preferably in a service organisation (health care experience would be an advantage) and have good written and oral skills.

Those interested should write giving full career details to: Freya Slade, Personnel Manager, Cromwell Hospital, Cromwell Road, London SW5 0TU.

CROMWELL HOSPITAL

New Commercial Ventures

C. London — **c. £20,000 + Bonus + Car**

A major British service group whose name is synonymous with the City, offers an outstanding opportunity to a qualified accountant aged 25 years plus.

The group has a commitment to diversification of trading activities within the U.K. and is currently on the acquisition trail. Consequently the main challenge will be the establishment of financial and management information systems to support the new businesses now and in the future. Additionally, man-management skills are required.

To ensure success with this group you must be able to demonstrate sound commercial judgement and an understanding of the City. Salary will not be a limiting factor and the benefits package including annual bonus is outstanding. Career development opportunities are substantial and where appropriate relocation expenses will be met.

Write with full CV and daytime telephone number to Patrick Donnelly quoting Ref: FT/111.

tfi The Finance Index
Financial Recruitment Consultants
11 Palmer Street London SW1H 0AB Tel: 01-222 5169/1181

GROUP ACCOUNTANT

WARWICKSHIRE

Competitive Salary

Elswick-Hopper Plc require a Group Accountant to be based at its Head Office in Alcester, Warwickshire.

The Group's main activities are in the manufacture and distribution of specialist engineering products, bicycles and agricultural equipment and the provision of services to agriculture.

Responsibilities, as a member of the small Corporate team, will include preparation and interpretation of regular management information, involvement in the development of accounting systems within the Group and ad hoc projects as required.

This key position offers a challenging opportunity for a good communicator during an exciting phase of the Group's development. The successful applicant will be a qualified accountant, probably a graduate, who is likely to have had post qualification experience with a leading professional firm of accountants and/or experience in a corporate office environment.

In addition to the competitive remuneration package on offer, further advancement within the Group is the likely reward for commitment.

Please write, enclosing your detailed CV to:
R. P. Hill Esq, Group Financial Controller
Elswick-Hopper Plc
The Mill, King's Coughton
Alcester, Warwickshire B49 5QG

ELSWICK-HOPPER PLC

ACCOUNTANTS

c £17,500 – £25,000 + car

Are you a recently qualified accountant or finalist looking for a new career?

With a wide variety of excellent positions available in small to medium-sized companies, and diversity of other blue chip companies we are ideally placed to fill your job requirements.

Our service is personal, professional and completely confidential. We may have just what you've been looking for, so why not ring us today, for an appointment or simply send us your C.V.
Ref: CA/346

SYSTEMS ACCOUNTANT

c £19,000 + car

Our client, a well established name in the finance sector, located in Central London, wishes to recruit a Qualified Graduate Accountant.

The successful candidate should have knowledge and experience of reviewing accounting systems, preferably gained in a computing department. He/she should be self motivated with initiative, drive and the ability to communicate and to implement changes where necessary.
Ref: AT/711

For further details phone or write quoting reference to:

ACCOUNTANCY ASSOCIATES LIMITED
temp./perm. recruitment consultants
5 VIGO STREET LONDON W1X 1AH TELEPHONE 01-439 3387 TELEX 27789

CITY GRADUATES

Leading securities firm urgently seeks numerate graduates and recently qualified accountants.

If you have some experience in the City—so much the better—in any event we should like to hear from you. All applicants will be interviewed and advised according to potential revealed at the interviews.

Please write, enclosing full curriculum vitae to:
Box A0220, Financial Times, 10 Cannon Street, London EC4P 4BY

Experienced Young QUALIFIED ACCOUNTANT

Required for fast expanding clothing group involved in both import and distribution.

The right candidate will show initiative and be willing to take full responsibility for running the Group's financial systems.

The job offers unlimited prospects for career developments, within an excellent working environment.

SALARY c.£20,000

Write with full C.V. to:
Box A0229, Financial Times
10 Cannon St. London EC4P 4BY

Appointments Wanted

OVERSEAS—CARIBBEAN

Qualified Accountant (ACMA) seeks short/long term contract in Barbados or other Caribbean country (elsewhere overseas considered). Past experience includes many years in Caribbean and Middle East. computerisation, systems set-up and training.

Phone 042 129 2898 or
Write Box A0231, Financial Times
10 Cannon Street, London EC4P 4BY

FINANCIAL TIMES
Thursday July 31 1986

CBR buys Genstar's cement business

BY TIM DICKSON IN BRUSSELS

CIMENTERIES CBR Cementbedrijven, the Belgian cement manufacturer which is 25 per cent owned by Belgium's largest and most powerful industrial holding company, Société Générale de Belgique, announced yesterday that it was paying C$452m ($347m) for the North American cement and concrete business of Genstar.

The deal represents a substantial move for the Belgian company and will be financed by borrowings from affiliated companies in Canada and the US and "an increase in the capital of CBR with the support of Société Générale de Belgique." This is likely to lead to Société Générale increasing its stake in CBR before the expected completion of the transaction at the end of September.

CBR was involved in the creation and development of the Genstar cement operations in the mid-1950s and, along with Société Générale and its associates, controlled a 16 per cent stake in Genstar until earlier this year. At that stage agreement was reached to sell this stake to Imasco Enterprises, the Canadian company which took over Genstar's entire range of businesses (ranging from waste management and shipping to containers and construction) and has been selling them off to a variety of bidders.

CBR has now emerged, subject to formal authorisation, as the new owner of Genstar's cement, ready mix concrete, aggregates, concrete products and other related services based in western Canada and the north of California.

CBR, meanwhile, has been restructuring its activities in Western Europe to take account of the fall in cement consumption. Besides Belgium, the company has important markets in the Netherlands, northern France and Luxembourg.

Société Générale said yesterday the deal reaffirmed links already established in its non-ferrous metal, banking, chemical and shipping activities between Europe and North America.

Imasco, 40 per cent owned by BAT Industries of Britain, has C$965m from the sale of Genstar's non-financial services assets.

Last month Imasco sold Genstar's valuable waste management company to Laidlaw Transportation of Toronto for C$513m cash. One small Genstar business had been sold earlier, **writes Robert Gibbens in Montreal.**

Imasco now has to sell building materials assets, mainly in the US, in several packages plus its extensive real estate assets in western Canada, the Western US and the Sunbelt states, and a Canadian marine services operation.

Imasco will then be left with Canada Trustco, the country's seventh largest financial institution, at a net cost of about C$1.5bn, analysts estimate.

The total proceeds so far of C$965m are before tax and the company has estimated that its total proceeds after tax from all the disposals will be more than C$800m. Analysts regard the disposal programme as going very swiftly.

Bethlehem Steel omits dividend

By Terry Dodsworth in New York

BETHLEHEM STEEL, the third largest US steel manufacturer, omitted the quarterly dividend on its preferred stock yesterday in a move to deflect suggestions that it might follow LTV in filing for bankruptcy.

The announcement followed speculation about Bethlehem's vulnerability to the increasing competitive pressures likely to be unleashed by the bankruptcy of LTV, the second largest steel producer in the US. Bethlehem has lost $1.9bn since 1982, and dropped the dividend on its common stock in the last quarter of 1985 for the first time since 1939.

In a statement accompanying its second quarter earnings report, which showed yet another large loss, Bethlehem said its board voted to omit the preferred dividend because LTV's recent Chapter 11 bankruptcy filing had caused "some great concern and considerable anxiety."

The omission of the preferred dividend will save the group around $5.6m a quarter.

One of the main anxieties of Wall Street following the collapse of LTV has been that other steel companies might be forced into a process of "competitive" bankruptcies – going to the courts for help in redrawing their raw material and labour contracts at lower rates than the competition.

The second quarter figures showed a loss of $23.8m on sales of $1.1bn, and were accompanied by a gloomy prediction of a further deficit in the third quarter and a "significant loss for the year."

The results were struck after taking into account a non-recurring gain of $75m from the sale of two of its divisions, a further $16m profit from pension changes, and a special charge of $55m for an estimated loss on its energy operations and steel plant equipment. A year ago, the company had a quarterly profit of $20.4m, or 30 cents a share, on revenue of $1.3bn.

● Mr David Roderick, chairman of USX, the US's largest steel company, has made an eleventh hour appeal for a peaceful settlement to the company's bitter talks with its 44,000 steelworkers, as reported in later editions yesterday.

The appeal coincided with release of quarterly figures showing net profit of only $14m in the three months to June on sales of $4.17bn, against $180m in the same period last year on sales of $5.44bn.

After preferred dividends, there were no earnings per share in the latest quarter.

OIL GROUPS' COURT CASE RESUMES TODAY

Texaco and Pennzoil resume battle

BY MARY FRINGS IN DALLAS

LAST NOVEMBER a Texas jury awarded Pennzoil, the Texas oil group, a staggering $10.5bn in damages against Texaco, the US oil group, after a 4½ month court battle over the acquisition of Getty Oil.

In December a Texas court upheld the jury's finding and entered judgment in favour of Pennzoil, adding a further $600m in pre-judgment interest.

In Houston today Texaco is appealing against that judgment after surviving the threat of bankruptcy with the aid of a federal district judge, who termed the Texas court requirement for the posting of a $12bn bond "so absurd, so impractical and so expensive that it hardly bears discussion."

His preliminary injunction restraining Pennzoil from attaching a lien on Texaco's assets was upheld on condition that Texaco provided security of $1bn.

This condition was fulfilled on February 5.

At today's hearing each company has just 90 minutes to present oral arguments for and against the appeal before a panel of three judges of the First Supreme Judicial District of Texas.

Rivalling the Pennzoil award in size is a new $10.2bn damages suit launched by Placid Oil Company, Penrod Drilling Company and Hunt family shareholders against their 23 creditor banks.

The suit cites an unsigned, undated document as evidence that the banks were conspiring to control the worldwide offshore drilling industry, in defiance of anti-trust laws, and then tried to destroy Placid and Penrod when they refused to co-operate.

The plan purportedly outlines a programme for reducing the number of offshore drilling companies from 25 to between six and 10, and for the banks to form a joint venture with some rig companies.

Mr Roger M. Baron, assistant professor of law at South Texas College of Law, whose auditorium is being borrowed for the hearing, says a significant aspect of this hearing is that Texaco has only one right of appeal. Any review of the case by the Texas Supreme Court and beyond that, by the US Supreme Court, would be discretionary.

The court is expected to delay its decision. The action it could eventually take includes:

● Affirming the lower court's judgment and the entire damages award. In this case Texaco could seek to continue the appeals process in the Texas Supreme Court.

● Upholding the judgment provided that Pennzoil accepted a reduced damages award.

● Reversing the judgment, in which case Pennzoil could seek a review from the state Supreme Court.

● Ordering the district court to hold a new trial.

The huge amount of money involved, the implications of the case for the conduct of future corporate mergers and the high reputation of both teams of attorneys, have generated such intense interest that today's session has been moved from the first Supreme Judicial District courtroom to a 750-seat auditorium of the South Texas College of Law (STCL). Law students and journalists who fail to get in will be able to watch the proceeding on monitors in an adjoining hall.

Since the spring the air has been thick with charges and counter-charges, Texaco has challenged the qualifications of the original trial judge, Judge Solomon Casseb, who after that refused to take action on the company's motion for a new trial. Pennzoil rejected Texaco's proposals for an out-of-court settlement as "laughably inadequate."

Last week rumours of a $3.5bn settlement offer were dismissed as the work of Wall Street arbitrageurs seeking to benefit from a rise in Pennzoil's stock.

Texaco's case today is supported by "friend of the court" briefs from its home state of New York, from Louisiana, where it is the biggest oil and gas producer, and from other states, labour unions and business groups – all with an interest in the company's economic survival.

Mr Robert Abrams, the New York state attorney general, filed a brief on May 12 urging the three-man Texas appeals tribunal to reverse the trial judgment on the grounds that Judge Casseb had misstated New York law (which both parties had agreed should apply) and had misdirected the jury. Much of the argument in the case has hinged on what constitutes a binding and enforcable contract and whether Texaco knowingly induced Getty shareholders and directors to breach such a contract.

Five banks in Portugal face status alteration

By Diana Smith in Lisbon

THE CAVACO SILVA Government, seeking a solution to the problem of Portugal's cumbersome nationalised banking sector, is looking at a new tack for five of the eight nationalised commercial banks that have had consistent difficulties.

The Government is considering altering the status of the five least profitable nationalised commercial banks – Uniao de Bancos Portugueses, Bancoi Fonsecas e Burnay, Banco Borges e Irmao, Banco Nacional Ultramarino and Banco Totta e Acores – from public sector enterprises to publicly limited companies which, although state-owned at the outset, would have to submit themselves to Portuguese company law.

The Government is barred by the constitution from denationalisation until a constitutional review is carried out, in principle in 1987.

The banks altered status would require them to no longer rely on the national budget for capital endowments, but to submit them to shareholders' decisions on capital increases or alterations (including access by private capital) or sale of assets.

Portugal's commercial banks were hastily nationalised in 1975. Those that were less tightly managed built up a burden of bad loans – the latest national estimate of bad debts is Es 400bn ($2.4bn) – 10 per cent of gross domestic product.

They were encumbered by unprofitable assets inherited from the era when private banks were holding companies for large economic groups.

Danish bourse acts to calm broker fears

BY HILARY BARNES IN COPENHAGEN

DENMARK's stock market has been shaken by the prospect of financial problems for the local stockbroking community, following a steep decline in Copenhagen's share and bond markets.

The failure of a Danish broker earlier this month has sparked off a run of rumours about the financial health of the broking community as a whole. The bourse authorities have now intervened.

On Tuesday the Stock Exchange Council requested the stockbroker I.S. Monies to make a formal statement on trading. Monies has replied that it is able to meet obligations falling due over the next few days.

Monies said it would be able to meet all demands on its cash holdings. However, its statement contained no denial that the company was trading in the red.

Earlier in July, a small broking firm, not licensed to trade on the floor of the stock exchange, Leo Bruhn, had to be rescued by banks, while one of Copenhagen's largest brokers, Lannung & Co, was asked by the Bank Inspectorate to clarify its position when an investment fund for which Lannung acted went bankrupt.

Lannung confirmed that it had sustained a loss, but said that its position remained sound and the inspectorate took no further action.

The share price index has fallen by 20 per cent since mid-April, when it peaked at 250.7, while bond prices have fallen by about 10 per cent over the same period and effective yields have risen by about 1½ per cent to about 10¾ per cent.

The decline in Copenhagen has been somewhat sharper than in comparable international markets. Brokers attribute this to continued concern at the size of the country's current balance of paymont deficit and to political uncertainty.

The markets rallied yesterday, however, when the June trade figures showed the first surplus for 10 months, although the deficit for the first half year was up from DKr 5.9bn last year to DKr 6.8bn.

Political factors have included speculation, supported by opinion polls, that after the next election the present non-Socialist minority government will be replaced by a Socialist majority.

Unless the present Government is unexpectedly defeated in the folketing (parliament), however, the next election is not due until the end of next year.

Under a stock exchange reform to take place at the end of this year, stockbroking firms, which at present are personally owned firms, will become private limited companies and the minimum equity capital requirement will be increased.

Slightly higher profits at Munich Re

BY OUR FINANCIAL STAFF

THE PROSPECT of modestly higher profits and an unchanged dividend were held out yesterday by Munich Reinsurance for the year ended June 1986.

The group, the leading reinsurer in West Germany, said net profits provisionally improved by DM 10m ($4.7m) to DM 44.65m for last year. As a result, it planned a further DM 9 a share dividend.

Gross premiums rose by 7 per cent to DM 11.8bn with the best gains occuring in the West German market. Full audited results will probably be announced in November.

Hit by weak liability business, foreign reinsurance had a flat year but the domestic operations produced markedly better results, Munich Re said. Nonreinsurance also performed well.

For 1984-85 the group ran up an underwriting loss of DM 445.9m. In December it said that a similar underwriting deficit could be expected for 1985-86.

● Swiss Reinsurance Company expects a slight increase in annual net profits, according to a prospectus for the listing of 150,000 new participation certificates, **writes John Wicks in Zurich.**

The Zurich group, one of the world's leading reinsurers, reported a 14.3 per cent rise in net earnings in 1984, bringing the figure to a record SFr 120m ($75m).

Although detailed results will not be available for calendar 1985 until November, the board said there was a further increase in group premium income in terms of local currencies. However, the decline in the dollar exchange rate will mean that the Swiss franc figure remained at about 1984 levels.

In 1984, consolidated gross premiums rose 13.6 per cent

Takeover by De Benedetti

By Alan Friedman in Milan

SOGEFI, one of Mr Carlo De Benedetti's holding companies in the car components business, said yesterday that it had agreed to acquire, for an undisclosed price, Rejna, an Italian shock-absorber manufacturer.

Rejna employs 800 and had 1985 turnover of L83bn ($56.6m). The company is predicting total turnover this year of L130bn.

Sogefi, part of Mr De Benedetti's CIR holding group, is the company which controls the Fiaam filter business in Europe.

Gold producers boost second quarter profits

BY KENNETH MARSTON, MINING EDITOR, IN LONDON

TWO BIG North American gold producers have reported expanding earnings. Battle Mountain Gold, which operates the third largest gold mine in the US, has lifted second quarter earnings to $6.1m, making a half-year total of $11.9m or 28 cents per share, compared with a restated $7.4m in the first half of 1985.

In the past half-year Battle Mountain has reduced production costs by some 14 per cent to under $179 per oz of gold, while the average price received for the 119,000 oz sold has increased to $343 compared with $312 a year ago.

Silver sales have risen to 473,000 oz from 338,000 oz, but the average price realised has declined to $5.53 per oz from $6.09.

Of the company's new gold ventures, construction of the Pajingo complex in Queensland, Australia, is to begin early in 1987 with full production at an annual rate of some 60,000 oz expected by the end of the year.

At the smaller Surprise venture in Nevada, construction is due to be completed in the fourth quarter of 1987 and full production at an annual rate of about 20,000 oz is expected by early-1988.

The Canadian-registered American Barrick Resources, which has interests in five North American gold mines, reports increased second quarter earnings of C$4.1m (US$2.97m) which brings the half-year total to C$7.13m compared with a loss of C$220,000 in the same period of 1985.

The company's shares of the mines' rising gold production has amounted to 92,216 oz in the latest half-year compared with only 28,321 oz a year ago.

Average production costs have come down to US$195 per oz from US$219.

First half improvement for Rio Algom

By Robert Gibbens in Montreal

RIO ALGOM, one of Canada's two big uranium producers, reported improved results from its stainless steel and alloy operations in the first half of this year.

Six-month earnings were C$48.2m ($37m), or C$1.10 a share, against C$46m or C$1.04 a year earlier on revenues of C$664m against C$633m.

Rio's stainless steel operations, which showed losses in 1985, have climbed back to profit this year with improved prices and gains in efficiency at the Ontario and Quebec plants. Rio is Canada's only producer of stainless and alloy steels.

Higher investment income also helped improve first half results but the contribution from uranium, Rio's main source of earnings, was lower due to a drop in selling prices and a decline in output.

Rio diversified into potash early this year in New Brunswick, but this had no significant effect on the first half.

Søral hit by weaker prices

By Fay Gjester in Oslo

SØRAL, which operates a 68,000 tonnes per year aluminium smelter at Husnes, southern Norway, reported operating profits of only NKr 20m ($2.7m) in the first half of this year compared with NKr 63m previously, reflecting weaker aluminium prices throughout most of the six months.

Towards the end of the period, however, prices improved and the company forecasts a better result for the current six months.

Søral is owned 74.8 per cent by Swiss Aluminium. Norsk Hydro owns most of the rest.

INTL. COMPANIES & FINANCE

Chevron income dips 38% but pay-out safe

BY OUR NEW YORK STAFF

CHEVRON, the big US west coast oil company, rounded off the second-quarter results season from the US oil giants by announcing a 38 per cent drop in net income to $216m, or 63 cents a share, barely covering its quarterly dividend.

Total revenues fell from $11.7bn to $6.8bn in the quarter primarily due to lower prices for crude oil and petroleum products but also reflecting the absence of certain assets which had been sold, such as Gulf Canada. For the first six months of 1986, Chevron's earnings fell 15 per cent to $347m and revenues are 36 per cent lower at $15.6bn.

Meanwhile, Sun Company, one of the smaller US integrated oil companies, reported a 29 per cent drop in second-quarter net income to $100m or 92 cents a share on revenues which fell from $3.68bn to $2.48bn. For the six months net income was $246m, or $2.26 per share, compared with $273m, or $2.42 per share, in the first half of 1985. First-half revenues fell 20.6 per cent to $5.83bn.

Mr George Keller, Chevron's chief executive, said that second-quarter earnings were reduced by both adverse business conditions in the petroleum industry and by special charges related to the company's manpower reduction programme. The continuation of depressed price levels for crude oil and natural gas resulted in a loss for Chevron's domestic exploration and production operations of $26m compared with earnings of $243m last year.

"Although 1986 is proving to be an extremely difficult year for our industry, I think it's important to remember that Chevron has positioned itself well for the challenges we face," said Mr Keller.

He cited the company's aggressive debt reduction efforts which have resulted in a fall in the debt-to-total-debt-plus-equity ratio from 38 per cent at the beginning of the year to 35 per cent currently. The group has streamlined its operations, selling the refining and marketing assets in the north-east US and Italy, Gulf's household products group and the company's stake in Cetus and UNC Resources.

Amax sustains upswing in half

By Our New York Staff

AMAX, the large US mining group which is struggling back to profitability after running up losses of $1.7bn from 1982 to 1985, turned in earnings of $8m, or 7 cents a share, in the second quarter of this year.

In the same period of 1985, Amax reported losses of $394.9m, the equivalent of $5.78 a share, including a provision of $315m for losses on continuing business segments. Sales this year amounted to $350m against $469m in 1985.

In the first six months of the year, the upswing in Amax's fortunes was even more pronounced, with net income reaching $61.4m, or 75 cents a share, against a net loss of $430.2m, or $6.39 a share. However, this year Amax booked an $80m special gain on the recovery of excess pension assets in the first quarter. Sales came to $691m compared with $968m in 1985.

Mr Allen Born, president, said the group's financial condition continued to improve as the company reduced costs and shed unprofitable businesses. "This is evident not only in the improved operating results but also in the reduction of debt and preferred stock by $203m as well as the increase in cash by $86m since year-end 1985."

N. AMERICAN RESULTS

ALLEGHENY INTL
Consumer and hardware products

Second quarter	1986 $	1985 $
Revenue	459.8m	485m
Net profits	†1.8m	9.9m
Net per share	†0.67	0.23
Six months		
Revenue	912.9m	976.8m
Net profits	15.6m	15.1m
Net per share	0.05	†0.12

† Loss

FOSTER WHEELER
Process plant

Second quarter	1986 $	1985 $
Revenue	331.7m	319.8m
Net profits	7.9m	8.5m
Net per share	0.23	0.25
Six months		
Revenue	617.3m	568m
Net profits	15.6m	17.5m
Net per share	0.45	0.51

BALLY MANUFACTURING
Amusements, hotels, casinos

Second quarter	1986 $	1985 $
Revenue	458m	379m
Net profits	11.7m	†0.8m
Net per share	0.42	0.40
Six months		
Revenue	727.4m	642.8m
Net profits	16.2m	15.6m
Net per share	0.59	0.58

HOUSEHOLD INTERNATIONAL
Merchandising, finance

Second quarter	1986 $	1985 $
Revenue	982.8m	863.9m
Net profits	52.8m	47m
Net per share	1.15	0.80
Six months		
Revenue	1.87bn	1.7bn
Net profits	97.3m	89.5m
Net per share	1.98	1.82

FLEMING COS
Food wholesalers

Second quarter	1986 $	1985 $
Revenue	1.71bn	1.58bn
Net profits	12.5m	13.8m
Net per share	0.57	0.66
Six months		
Revenue	3.97bn	3.6bn
Net profits	27.7m	30.9m
Net per share	1.27	1.52

ROWAN COMPANIES
Contract drilling for oil

Second quarter	1986 $	1985 $
Revenue	40.9m	67.1m
Net profits	9.9m†	0.1m
Net per share	0.18†	–
Six months		
Revenue	94.8m	133.9m
Net profits	15.8m†	1.2m
Net per share	0.29†	0.02

† Loss

AIBD BOND INDICES

WEEKLY EUROBOND GUIDE JULY 25

	Redemption Yield	Change on Week %	12 Months High	12 Months Low
US Dollar	9.240	0.195	10.850	9.094
Australian Dollar	14.313	4.155	14.630	12.600
Canadian Dollar	10.600	0.741	11.840	10.489
Euroguilder	6.122	0.474	6.910	5.971
Euro Currency Unit	8.481	0.284	9.524	8.164
Yen	6.382	−0.777	7.250	6.307
Sterling	10.441	1.359	11.932	9.751
Deutschemark	6.487	−0.307	7.210	6.418

Bank J. Vontobel & Co Ltd. Zurich - Telex: 812744 JVZ CH

INTERNATIONAL COMPANIES and FINANCE

Tung expects $275m lifeline

BY DAVID DODWELL IN HONG KONG

A SYNDICATE of almost 30 banks is today expected to extend a loan of US$275m to C. H. Tung, the ailing Hong Kong shipping group, to buy 12 new vessels from Japanese shipyards. The loan is seen as a critical step in the US$2.6bn rescue of the territory's second largest shipper.

At the same time, Mr C. H. Tung is meeting with executives of Credit Commercial de France (CCF) today in Paris. The meeting is an attempt to persuade the state-controlled French bank to withdraw a winding-up petition against the group's publicly quoted subsidiary, which has put the reconstruction in jeopardy. Mr Tung still heads the family-controlled group and has played an active part in the attempted reconstruction.

CCF is a comparatively small creditor to the Tung group, with just $7m extended to Orient Overseas Holdings, its container operating subsidiary. However, its loan is unsecured and the winding-up petition aimed at recovery of the debt is seen by many creditors as a protest against the less favourable terms being offered under the reconstruction to unsecured as opposed to secured creditors.

C. H. Tung, which once boasted a fleet of 150 vessels, now has 29 container vessels and 50 tankers and bulkers. The reconstruction being attempted will leave the group with two main operating companies—one handling container operations, and the other its bulkers and tankers. Of 24 new vessels originally on order from Japanese yards, only 12 will now be taken.

The loan being agreed today is intended to pay for these 12 vessels, and for cancellation charges on ships no longer wanted.

Financial advisers to the Tung group are Hambros of the UK and Shearson Lehman of the US. One executive commented that such brinkmanship was regarded as inevitable in the final stages of a reconstruction. With almost 150 creditors involved in the Tung rescue, the difficulties involved in winning the support of all of them is seen as more than usually acute.

The seriousness of the CCF threat is nevertheless not being underestimated. The winding-up order, if pressed through, would almost certainly succeed. It would equally certainly trigger the collapse of 10 months of painstaking work towards a reconstruction.

Today's meeting in Paris will aim to clarify the exact basis of CCF's disaffection, and detailed negotiations between CCF and C. H. Tung's financial advisers are expected to continue into early August.

Japanese city banks suffer from rising yen

By Yoko Shibata in Tokyo

THE RESULTS of the four Japanese "city" or commercial banks which publish consolidated earnings have shown the effects of tight margins and the yen's steep appreciation in the year to March. However they have also registered the headway achieved by acquisitions made abroad

For the first time Mitsubishi Bank joined Bank of Tokyo, Sumitomo and Fuji in reporting results on a consolidated basis. All suffered weak operating income for the year, largely reflecting a revenue fall at the parent banks.

JAPANESE COMMERCIAL BANKS
Consolidated results, year to March 1986

	Operating income Ybn	Net profits Ybn
Bank of Tokyo	1,455 (−19%)	47.3 (+40%)
Sumitomo Bank	2,014 (−10%)	81.2 (+5%)
Mitsubishi Bank*	1,813 (—)	71.4 (—)
Fuji Bank	2,022 (−10%)	43.6 (−28%)

*First year of consolidated results.

Net profits for Mitsubishi and Bank of Tokyo surpassed those of the parent banks, although the other two were pulled lower with the inclusion of overseas subsidiaries and affiliates.

Mitsubishi Bank's consolidated net profits emerged a modest Y550m ($3.53m) more than those of the parent bank as Bank of California, bought in June 1984 turned into the black with net profits of Y800m. This followed the completion of writedowns on problem loans and of staff cuts.

At Bank of Tokyo, consolidated net profits surged by 40.4 per cent, reflecting a favourable earnings picture at all its 42 subsidiaries including California First Bank.

In the case of Sumitomo Bank, its Swiss subsidiary, Gotthard Bank in which it took 52.67 per cent in July 1984—reported net profits of Y1.29bn in the year to December 1985, up by Y700m from the previous year.

For the current year to March 1987, meanwhile, all except Sumitomo expect net earnings progress.

Bombay acts to stem decline in share values

By R. C. Murthy in Bombay

THE BOMBAY Stock Exchange, India's largest, has relaxed cash deposit requirements for share purchases in about a dozen key issues, in order to stem a decline in share values.

In particular, the latest decision reverses an order by the exchange authorities last week, which has doubled to Rs 80 the cash portion per share for purchases in Reliance Industries, a market high-flier. The original ruling triggered a spate of selling in Reliance, shares in which fell from a record Rs 390 a month ago to Rs 304 on Monday.

The nervous mood widened to bring the Bombay SE official index of 30 shares down 42 points during the past week to end at 584 on Monday, since when the exchange has been closed for settlements. Trading is due to resume today.

Reliance shares will thus carry only a Rs 40 margin stipulation.

Barclays National boosts profits

BY JIM JONES IN JOHANNESBURG

BARCLAYS National Bank, South Africa's largest banking group, has trebled interim-pre-tax profits largely because of improved banking margins and also because of tighter controls. Falling interest rates led gross operating income to slip to R154bn ($603.7m) in the half-year to June from R1.60bn, but they also helped reduce operating expenditure to R1.32bn from R1.5bn. As a result, profits before doubtful debt provisions increased to R216.2m from R98.6m.

An increase in provisions left pre-tax profits at R127.4m against R40.4m. The outcome for the whole of 1985 was R181.2m.

Mr Chris Ball, managing director of the bank — some 40 per cent owned by Barclays of the UK — says that low demand for finance has limited the increase in advances and he is reluctant to forecast trading conditions

Total liabilities increased by 3.8 per cent to R17.55bn at the end of June from R16.91bn at the end of December while advances rose by only 1.9 per cent to R15.35bn from R15.07bn.

First-half earnings have risen to 107.8 cents a share from 59.6 cents and the interim dividend is unchanged at 35 cents. Last year earnings totalled 182 cents a share and a total dividend of 95 cents was declared. The financial year end will change to September 30 this year from the previous December 31.

Kidston more than doubles midway

BY ROBERT KENNEDY IN SYDNEY

AN IMPROVEMENT in grade average towards the end of the period has enabled Kidston, Australia's biggest gold mine, to post net earnings of A$29.46m (US$17.94m) in the half-year to June. This is more than double the A$12.6m for the first six months of 1985, when production came fully on stream.

The company had not performed to expectations earlier in the current year because of a week-long ball mill shutdown. Earnings in the March quarter were A$10.32m from revenue of A$25.9m.

However, an increase in the grade average from 2.19 grams to 2.41 grams per tonne in the June quarter helped produce A$19.13m profits for that period. Revenue for the quarter just ended was A$38.26m.

The latest grade average compares with the 2.1 gram to the tonne posted in the December quarter and is expected to peak soon.

Sembawang in the black

BY OUR FINANCIAL STAFF

SEMBAWANG SHIPYARD, the Singapore state-controlled yard, returned to a modest profit in the six months to June, on sharply increased revenues.

With turnover 44.5 per cent ahead at S$71.8m (US$33m), group net earnings were S$5.4m compared with a S$6m loss in the 1985 first half.

In April Sembawang joined in a buy-out of marine salvage assets owned by the failed Pan-Electric Industries. But the company attributed its return to the black to increased ship repair volume as well as cost reductions and better productivity.

It again omitted a dividend, while forecasting a maintained performance for the second half despite volatile markets.

INTL. COMPANIES and FINANCE

Positive reception for Lloyds FRN

BY CLARE PEARSON

LLOYDS BANK launched its $600m perpetual floating-rate note (FRN) issue yesterday into a firm FRN market. The deal met a positive reception and traded immediately above its issue price.

The bond was priced with a coupon of 10 basis points over si-month London interbank offered rate (Libor) and issue price of 100.10. Fees amounted to a discount of 20 basis points, and at this level the bond yielded 12 basis points over Libor on a straight-line basis. The deal is non-callable for the first five years.

Perpetual floaters by British banks rank as primary capital. Llovds will use the proceeds both to enhance its capital base and repay some outstanding term loan stocks.

The issue, which was lead-managed by Lloyds Merchant Bank, a Lloyd's subsidiary, struck the market as a welcome relief after a series of 99-year issues last week for Canadian banks, which contained clauses allowing for a reduction in coupons in the event of a cut in the banks' dividends. Towards the end of the afternoon Lloyd's issue was quoted at a bid price of 100.15.

Elsewhere in the FRN sector, Banque Paribas Capital Markets issued a $200m 10-year bond for Centrust Savings, Florida's largest savings and loans institution. Like other recent savings and loans issues, the bond is secured and thus has a triple-A rating.

Centrust's deal was more aggressive than other recent issues, with a coupon of six-month Libor plus 3 basis points, while there is a call provision after the third year.

The bond traded below its par issue price at around 99.50 on the bid side, but Banque Paribas said this should attract investors expecting the market for this type of instrument to grow, and provide them with a capital gain.

Fees on Centrust's deal totalled 50 basis points.

The fixed-rate Eurobond market firmed slightly during the day. It was enlivened late in the afternoon by two issues from Daiwa, neither of which traded yesterday.

The first deal was a C$200m 9½ per cent 101⅞ issue for Banque Nationale de Paris, with the borrower itself as joint lead-manager. The five-year bond will be swapped into floating-rate US dollars.

The second deal was a $30m five-year deferred coupon issue for C. Itoh, the Japanese trading company. The 8 per cent coupons will be rolled up for the first four years. The issue price is 100½.

Nikko Securities launched a $35m equity warrants bond for Taisei Prefab Construction, the Japanese construction company. Terms will be fixed on August 7, but the five-year bond carries an indicated coupon of 2⅞ per cent. Taisei's shares closed at Y535 in Tokyo yesterday.

The Deutsche Mark market traded more actively yesterday, with prices moving up by ¼ point. Dresdner Bank launched 10,000 warrants on their own exercisable into the Federal Government 5¾ per cent 10-year bond at a striking price of 100.70, till May 6, 1987. Dresdner said the issue was well received.

The Swiss franc market was basically unchanged yesterday with a positive undertone. A recent issue for Montreal Urban Community, a dual-currency bond, closed at 110, but slipped to 105 after hours.

Two private placements were priced. Credit Suisse set the coupon on an equity warrants bond for Kitz Corporation at ¾ per cent, as against an indicated 1 per cent. The issue amount was reduced to SFr 60m, from SFr 70m.

Swiss Volksbank set the coupon on an equity warrants bond for Seikitokyu Kogyo at ¾ per cent also, reduced from 1 per cent.

C$255m lease financing at Pacific Western

By Alexander Nicoll

PACIFIC Western Airlines, based in Calgary, is arranging an unusual and complex C$255m lease financing for 16 Boeing 737-200 aircraft which it already owns.

The deal is divided into two parts. Midland Bank is heading a 10-bank syndicate which will lend C$185m, the bulk of which is to be repaid by the pre-arranged sale of 11 aircraft to Guinness Peat Aviation in five to 8½ years' time. The loan carries a margin of [illegible] percentage points over London interbank offered rates.

The syndicate will also act as guarantors for a separate C$70m purchase and lease-back arrangement for the remaining five aircraft with Citibank Leasing Canada.

First Pacific agrees to buy Hong Nin Bank

FIRST PACIFIC Holdings, a Hong Kong financial services company, has agreed to acquire Hong Nin Bank, a family run bank with fewer than six branches in the territory, AP-DJ reports from Hong Kong.

First Pacific said it would pay up to HK$150m (US$19.2m) through a scheme of arrangement that would allow it to sell doubtful loans back to the bank's current shareholders.

Two weeks ago Hong Nin had said its shareholders were negotiating a possible sale of the bank to Mr W. K. Chan, an overseas Chinese investor.

First Pacific already owns two deposit-taking companies in Hong Kong, as well as Hibernia Bank and United Savings Bank, two San Francisco-based institutions.

Enserch halves dividend despite improved result

BY WILLIAM HALL IN NEW YORK

ENSERCH, a Dallas-based energy group, recovered to second-quarter net income of $2.4m and halved its quarterly dividend because of the depressed oil and gas markets.

After provision for preferred dividends, Enserch lost $1.95m in the second quarter, or 3 cents a share, compared with a loss of $73.6m, or $1.32 per share, in the same quarter of last year when the results were depressed by a $69.9m charge, equivalent to $1.26 per share. Revenues in the latest three months totalled $607.5m against $748.1m last year.

Enserch is cutting its quarterly cash dividend by 20 cents to 20 cents and that the quarterly distribution of units of Enserch Partners (EP), its limited partnership, had been discontinued. Units of EP were distributed in each of the previous three quarters on the basis of one unit for each 100 shares owned.

Mr W. C. McCord, Enserch's chief executive, said that "even though Enserch is in a relatively strong financial position and has taken steps to cope with the currently depressed oil and gas markets, it appears prudent and necessary to reduce common stock dividend payments as long as earnings and cashflow are expected to remain at current levels.

"We are hopeful that the current conditions represent a temporary circumstance, but prudent management of the corporation's cash resources dictates that we reduce our cash dividends."

For the six months there was a profit of $20.59m, or 20 cents a share, compared with a loss of $21.41m, on revenues down at $1.42bn, from $1.73bn.

The latest quarter was after a $4.7m after-tax gain

Westpac given go-ahead for US listing

By David Lascelles, Banking Correspondent

WESTPAC, Australia's largest bank, yesterday obtained US regulatory permission to seek a listing for its shares on US stock exchanges. It claims to be the first non-US bank with an active presence in the US to obtain such permission.

Several other foreign banks are expected to follow Westpac's lead, including National Westminster Bank and Barclays Bank of the UK, which have been applying for permission in step with Westpac.

Foreign banks have to seek exemption for the US Investment Companies Act which regulates the access of financial companies to the stock market. But while it specifically excludes US banks, it omits mention of foreign banks, which have to ask the Securities and Exchange Commission for their own exemption.

N. AMERICAN QUARTERLIES

AMERICAN GENERAL
Insurance

	1986 $	1985 $
Second quarter		
Revenue	1.5bn	1.4bn
Op. net profits	125.9m	108.1m
Op. net per share	0.85	0.71
Six months		
Revenue	2.9bn	2.8bn
Op. net profits	253.3m	217.8m
Op. net per share	1.70	1.46

AMERICAN STANDARD
Transport and building products

	1986 $	1985 $
Second quarter		
Revenue	819.4m	795.7m
Net profits	75.4m	37.3m
Net per share	2.00	0.95
Six months		
Revenue	1.5bn	1.4bn
Net profits	125.8m	57.8m
Net per share	3.30	1.47

CLARK EQUIPMENT
Lift trucks, machinery, etc.

	1986 $	1985 $
Second quarter		
Revenue	253.1m	241.2m
Op. net profits	†11.3m	6.1m
Op. net per share	†0.60	0.39
Six months		
Revenue	487.0m	478.5m
Op. net profits	†28.0m	10.6m
Op. net per share	†1.50	0.67

† Loss

GENERAL RE
Re-insurance

	1986 $	1985 $
Second quarter		
Revenue	774.8m	479.7m
Net profits	79.2m	3.8m
Net per share	0.77	0.04
Six months		
Revenue	1.48bn	957.7m
Net profits	142.4m	33.6m
Net per share	1.41	0.37

MAYTAG
Laundry equipment

	1986 $	1985 $
Second quarter		
Revenue	488.2m	485.3m
Net profits	17.9m	37.9m
Net per share	0.41	0.88
Six months		
Revenue	886.0m	905.2m
Net profits	50.4m	65.2m
Net per share	1.16	1.51

TRAVELERS
Insurance

	1986 $	1985 $
Second quarter		
Revenue	3.7bn	3.5bn
Net profits	72.5m	78.4m
Net per share	0.72	0.88
Six months		
Revenue	8.0bn	7.3bn
Net profits	183.9m	167.9m
Net per share	2.00	1.93

UNITED BRANDS
Food processing

	1986 $	1985 $
Second quarter		
Revenue	902.2m	825.2m
Net profits	35.8m	20.3m
Net per share	2.26	1.28
Six months		
Revenue	1.67bn	1.62bn
Op. net profits	48.5m	30.0m
Op. net per share	3.06	2.01

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market.

Closing prices on July 30

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amoco Co. [illegible] 16	220	[illegible]	[illegible]	[illegible]	[illegible]	9.50
Atlan. Richfield [illegible] 00	250	[illegible]	[illegible]	[illegible]	[illegible]	9.16
Australia Com. 11 95	200	[illegible]	[illegible]	[illegible]	0	8.52
Australia Com. [illegible] 00	150	[illegible]	[illegible]	[illegible]	[illegible]	9.35
BP Capital [illegible] 94	100	[illegible]	[illegible]	[illegible]	0	8.90
BP Capital [illegible] 92	150	[illegible]	[illegible]	[illegible]	[illegible]	8.71
Campbell Soup [illegible] 95	100	[illegible]	[illegible]	[illegible]	[illegible]	7.97
Canada 9 96	1000	[illegible]	[illegible]	[illegible]	[illegible]	7.51
Canada 11½ 90	500	112	[illegible]	[illegible]	[illegible]	[illegible]
Canadian Pac. [illegible] 95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CEPME [illegible] 91	150	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Citicorp 10 88	200	[illegible]	[illegible]	[illegible]	[illegible]	7.57
Citicorp [illegible] 95	250	[illegible]	[illegible]	[illegible]	[illegible]	9.62
Credit Lyonnais 9 91	200	[illegible]	[illegible]	[illegible]	0	[illegible]
Credit National [illegible] 95	150	[illegible]	[illegible]	[illegible]	[illegible]	8.12
Denmark Kingdom [illegible] 93	250	[illegible]	[illegible]	[illegible]	[illegible]	8.09
Denmark Kingdom [illegible] 91	300	[illegible]	102	[illegible]	[illegible]	[illegible]
Denmark Kgdm. 11½ 92	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EDC [illegible] 92	100	[illegible]	[illegible]	[illegible]	[illegible]	7.95
EEC [illegible] 96	100	[illegible]	102	[illegible]	[illegible]	7.98
EEC [illegible] 91	150	[illegible]	104	0	[illegible]	7.60
EEC [illegible] 90	250	[illegible]	[illegible]	[illegible]	[illegible]	7.59
EIB [illegible] 94	200	110	[illegible]	[illegible]	[illegible]	8.47
EIB 12 95	200	[illegible]	[illegible]	[illegible]	[illegible]	8.32
Eli Lilly [illegible] 92	150	[illegible]	[illegible]	0	[illegible]	8.05
Export Dev. Cpn. 10 90	100	[illegible]	[illegible]	0	[illegible]	[illegible]
Fed. Dep. Strs. [illegible] 95	100	[illegible]	[illegible]	[illegible]	[illegible]	8.46
Ford Motor Cred. [illegible] 91	150	[illegible]	109	[illegible]	[illegible]	[illegible]
Ford Motor Cred. [illegible] 90	100	[illegible]	[illegible]	[illegible]	[illegible]	8.11
Gen. Elec. Cred. [illegible] 00	250	[illegible]	[illegible]	[illegible]	[illegible]	9.40
GMAC [illegible] 89	200	[illegible]	[illegible]	[illegible]	[illegible]	7.56
GMAC [illegible] 93	200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
IADB [illegible] 95	200	[illegible]	110	[illegible]	[illegible]	[illegible]
IADB [illegible] 95	150	[illegible]	[illegible]	[illegible]	0	8.16
Merrill Lynch [illegible] 91	150	[illegible]	[illegible]	[illegible]	[illegible]	8.25
New Zealand [illegible] 90	100	[illegible]	[illegible]	[illegible]	[illegible]	7.74
New Zealand [illegible] 93	150	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Toshiba Ceramics 3 2000	4/85	1734	[illegible]	[illegible]	[illegible]	[illegible]
Nippon Oil Co. [illegible] 92 SFr	3/84	1052	[illegible]	[illegible]	[illegible]	4.40
Nippon Shinpan 2 92 SFr	3/84	[illegible]	*†221	[illegible]	0	14.47
Asics 5 92 DM	12/85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Renown [illegible] 90 DM	3/85	[illegible]	151	152	[illegible]	[illegible]

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for US dollars. C.cpn=The current coupon.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Mercantile House exceeds forecasts with £23m rise

Mercantile House Holdings yesterday exceeded City forecasts with a £23.2m rise to £75.4m in full year taxable profits. Analysts had been looking for between £65m and £70m.

Mr John Barkshire, the chairman who had previously warned of a lacklustre second half, said that the result was adversely affected to the tune of £6.8m on the translation of overseas results into sterling.

A large part of the improvement for the year to end-April 1986 stemmed from related companies' contributions which rose from a restated £11.7m to £33.7m. Investment banking and securities trading contributed £9.3m compared with £600,000.

These gains offset a downturn in wholesale banking where profits fell from £33.5m to £29.6m. Fund management made a higher £12.6m (£11.4m).

Undiluted earnings per share were 53.81p (39.87p) and Mercantile yesterday recommended a higher final dividend of 9.75p (9p) to lift the total to 14p (13p).

Mr Barkshire said that in the wholesale broking division, money broking made excellent progress with the very important Tokyo operation contributing satisfactorily to profits. He believed that in the years ahead Tokyo would equal London and New York in importance and Marshall's 45 per cent holding in a major Japanese broker would become increasingly valuable.

In fixed interest, William Street brokers were adversely affected by commission cuts introduced last October following the acquisition of a rival broking company, Liberty, by some of WRS primary dealer customers.

All parts of the investment banking and securities trading division made satisfactory progress and contributed increased profits.

The consideration for the sale of 82 per cent of the US Oppenheimer business came on to the profit and loss account as an extraordinary item, a gain of just £600,000. This was kept low to minimise tax—the businesses fetched some $150m in cash and securities package.

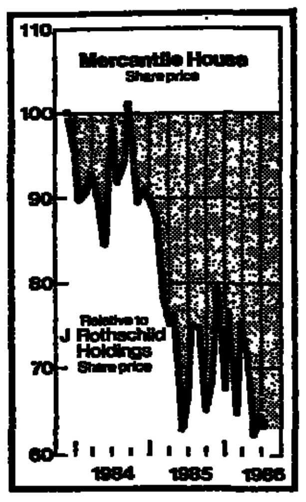
Current year profits will in part be adversely affected by costs associated with the run-up to the Big Bang.

Mr Barkshire said the new primary gilt dealing operation would be capitalised at £25m, and would be part of the Alexanders Discount side. He thought the number of primary dealers in the *gilts* market would reduce to just 12 to 14 within the next few years.

Union Discount said last week it would not be operating as a primary dealer. Mr Barkshire said he expected one or two more names to drop out before the Big Bang.

The company would shortly be announcing a string of small acquisitions, he said, probably within the next month. These would include small brokers, in *the UK and the Far East*, as Mercantile House fills in the gaps in its dealing operations.

Also, the chairman said there were a variety of new initiatives expected in the retail sector in the months ahead.



He said the company would eventually be looking for another US investment bank to the Oppenheimer businesses, but that was not a priority. Immediately following the Oppeneimer disposal, Mercantile was offered a total of 38 similar institutions but declined, he added.

Commenting on recent takeover rumours centreing around Mercantile House, the chairman denied there had been any approaches.

See Lex

Mount Charlotte rises 15% midway

FOR the 28 weeks ended July 13 1986, Mount Charlotte Investments, hotel operator, lifted pre-tax profits by 15 per cent, from £7.28m to £8.38m.

Turnover for the group, which is also involved in cake and liqueur manufacturing and rents, showed a 6 per cent improvement to £32.36m. *Sales and profits for the year* to December 29 1985 amounted to £60.28m and £16.06m respectively.

The directors have lifted the interim dividend from 0.53p to 0.61p. A 1.4p total was paid in 1985. Earnings per 10p share are shown as 3.3p (3p) net, and fully taxed as 2.5p (2.1p).

From trading profits ahead at £9.87m (£8.68m), the pre-tax result was struck after slightly higher interest charges of £1.49m (£1.41m). Tax took £1.36m (£1.02m), to leave net profits up from £6.26m to £7.02m.

Dividends absorbed £1.33m (£1.09m), and retained profits amounted to £5.69m (£5.17m).

In May, Mount Charlotte acquired the Arden Hotel at Stratford-upon-Avon.

comment

Under the circumstances, stay away US tourists, Chernobyl and all, Mount Charlotte Hotels has produced a creditable if unexciting performance. Cost clipping has boosted the first half trading margin by two full points—usually this half falls as much as five points behind the closing period because of the low occupancy level in winter months. Now that the market has discounted the worst of a 40 per cent drop in US visitors, it may switch its attention to Mount Charlotte's balance sheet. Net asset value was 53p a share in December, most properties are freehold owned and in the books at values as much as seven years old. Some time in the next couple of years the company looks likely to cash in the surplus—unless of course a predator gets there first. In the meantime a slowing in growth is detectable and the analysts have shifted the year end goal posts back £1m to £19m. As the tax charge will be staying down at around 20 per cent, earnings per share will rise in spite of the diluting effect of the Mount Royal funding exercise, a bull point for management and shareholders. The shares at 89p look comfortably placed on a prospective p/e of 12½.

Profits lower as OTT speeds up pace of change

Ocean Transport & Trading, the company which is in the process of changing from a shipping dominated organisation to a more broadly based industrial and distribution services group, yesterday announced interim profits of £15m—£0.7m lower than last time.

The result includes £6.3m from shipping—mainly OCL, the freight shipping company which OTT sold last May for £92m. OCL last time made £12.2m, and this reduction was the main reason for the drop in overall profits.

Mr William Menzies-Wilson, the chairman, said yesterday that the proceeds of the sale would allow OTT to increase the rate at which the company can implement its main development strategy—expanding in and around its core industrial and distribution services markets.

"Our existing businesses in these markets have consistently produced high returns and it is our intention to invest more in these businesses and in related market areas," he added. Some £30m of the OCL cash has already been spent, on acquisitions and investments.

The first steps in the startegy involved the acquisition of the outstanding 50 per cent of Panocean Storage & Transport and the purchase of Jardine Matheson's airfreight forwarding subsidiaries.

PST, which operates in the bulk liquid storage market, produced *excellent results in the* first half, said the chairman.

The acquisition of Jardine Cargo International will produce a major increase in the size of its MSAS international freight forwarding business and materially strengthens OTT's position in certain key market areas, including the UK, Germany and the Pacific rim. "MSAS is now among the top five international airfreight forwarders in the world and it has been performing well this year."

Group turnover in the six months to June 30 fell from £411.7m to £371.8m. The chairman warned in the 1985 annual report that the lower oil prices would affect some of OTT's businesses.

West African trade has been hit by lower Nigerian imports but the benefit of the Palm Line acquisition and the group's efforts to reduce costs have mitigated the worst of the downturn. The offshore oil services company OIL has also been affected as the oil companies have cut back their demand for services.

A divisional breakdown of *turnover* and trading profits shows: land services £300.5m (£315.3m) and £8m (£5.9m); marine services £22.4m (£21.5m) and £3.7m (£3.6m); shipping £45.1m (£69.8m) and loss £1.4m (loss £0.2m); other £3.8m (£5.1m) and loss £0.8m (loss £0.7m). Associates, including OCL, added £4.9m less at £9m.

With earnings per share up from 6.8p to 8p after a lower tax charge of £5.3m (£7.6m), the interim dividend is lifted from 2.55p to 2.9p. This will account for £3.4m (£2.9m), leaving the group with retained profits of £9.4m (£4.8m), boosted by a below-the-line credit of £3.6m.

See Lex

Authority gives go-ahead to City group

By Martin Dickson

Shareholders in Authority Investments, the investment and property company, yesterday gave the green light for management control of the company to pass to a group of experienced City financiers, led by Mr David Backhouse, who will become the new chairman.

An extraordinary general meeting overwhelmingly approved a complicated financial package which was a precondition of the Backhouse plan going ahead.

Berkley House Group, which holds 6.3 per cent of Authority's shares and which this week failed with a partial tender offer designed to block the Backhouse group, voted against the plan. It demanded a poll on the first *resolution before shareholders*, but this was passed

The deal involves the Backhouse group gaining a 38 per cent stake in Authority through the acquisition of part of the company's non-voting A shares, which are being converted into ordinary voting shares.

Under the rules of the takeover code, a stake of this size requires the Backhouse party to bid for the rest of the company, but this is largely a formality since the offer is pitched at a level—143p a share after a one-for-10 bonus issue where the board is recommending shareholders not to accept.

WPP buy enhances growth plan

WPP Group, the fast-growing sales promotion company, yesterday announced its fourth acquisition in as many weeks—the purchase of Metrovideo, an audio-visual and video equipment service company, which is to provide the fourth leg of WPP's expansion strategy.

The deal is worth up to £10m, depending on Metrovideo's performance over the three years to 1991. An initial payment will be made of £2m, consisting of £300,000 in cash and £1.7m in loan notes. Further staged payments will be made in shares or cash.

WPP said that in the wake of its move into three rapidly growing marketing services areas—graphics and design, sales promotion, and incentive and motivation—it had now identified the provision of audio-visual and video facilities as a fourth area of growth.

Metrovideo installs, services and hires audio-visual and video equipment throughout the UK, primarily for presentations *product launches, trade shows*, advertising, training and recruitment.

Founded in 1980 by David Pacy, its managing director, and Brian Rottger, its technical director, the company's sales have increased from £629,000 in the year to May 1982 to £3m in the year to May 1986, with pre-tax profits rising from £27,000 to over £500,000.

WPP said its activities would complement the group's existing operations.

Formerly a shopfitting manufacturer known as Wire and Plastic Products, WPP has become predominantly a sales promotion business since the arrival in May 1985 of Mr Martin Sorrell, a former Saatchi & Saatchi finance director, and Mr Preston Rabl, a stockbroker.

Somportex back in the black

BY TERRY POVEY

Somportex, *distributor of the* flavoured mushy *ice* drink Slush Puppy, has reported pre-tax profits of £145,000 in the six months to June 30. The company has recently changed its year-end from April 30 to December 31 and no comparable figures are available.

According to Mr Clive Mattock, Somportex's chairman and leading shareholder who is also a stockbroker with Fiske and Company, the return to profitability follows the disposal in November of the loss-making confectionery activities to Barker and Dobson for a £150,000 consideration. In the eight months to December, Somportex incurred a pre-tax loss of £118,000.

A star performer in share price terms, the company has risen from a low of between 20p and 30p a year ago to over 200p, closing up 3p yesterday at 215p. The main reason for this rapid rise was the takeover of a majority stake in the company by Mr Mattock (20 per cent) and Mr Nigel Wray, editor of a share tipping newsletter, with almost 15 per cent. A further 17 per cent is held by Fiske on behalf of its clients.

Yesterday Mr Mattock said that speculation of a major move by the company in the next few weeks was well-founded. Somportex would concentrate in the food and drinks sector he added.

Discussing the interim results, Mr Mattock agreed that Slush Puppy had made about £110,000 before interest. As the company was cash rich, it had almost £660,000 in liquid funds as of March 24, interest received amounted to some £35,000 he said.

The interim pre-tax profit of £145,000 came on a turnover of £741,000.

Eleco's profit figures are questioned by Whitecroft

BY DAVID GOODHART

Whitecroft, the building supplies, lighting and property development conglomerate, which has made a hotly contested £23m bid for Eleco Holdings, a similar conglomerate, yesterday questioned Eleco's profit figures and boasted of its own faster growth.

Whitecroft's offer document states that Eleco's announcement of a pre-tax prolit of £2.7m for the year ended June 30, includes a non-recurring gain on the sale of a subsidiary of £200,000 which should be treated as an extraordinary item.

"When this extraordinary gain is excluded, the profits are £2.5m and there is a marginal fall in earnings per share," says the document.

Whitecroft says that its own profits for the first quarter of the current year "are substantially ahead of the corresponding period last year," and the lighting division has produced recor profits. No figures are released, however.

Whitecroft says that its compound annual growth rate in earnings per share since *1981* has been 20.1 per cent, while Eleco's has been only 4.4 per cent. It adds that the compound return on an investment over five years from 1981 was 16 per cent per annum for Eleco, and 40 per cent for Whitecroft.

Eleco, however, challenges the statistics as highly selective and points out that if shareholders accept the offer they will lose both the Eleco final dividend and the Whitecroft dividend.

[MEETINGS

Cullen's loss looks set to continue

SHARES IN Cullen's Holdings, the groceries and off-licences chain, reacted unfavourably yesterday on the announcement by Mr Peter Matthews, the chairman, that losses would continue in the first half of the current year.

He told the annual meeting that "because of very severe weather in the early part of the year, sales in March slipped below budget and caused a high level of wastage at branch level." Losses would be reduced from the last interim deficit of £855,000, but would be "still sizeable." The shares slipped 5p to close at 190p, despite the chairman's confidence that losses would fall in the second half.

Other companies were grateful for the unseasonably cold early spring weather. Powell Duffryn members were told that there was an encouraging start to the year for the fuel distribution business. The shares rose 10p to 280p. The group's shipping business, however, is no longer benefiting from the favourable market conditions that followed the end of the miners' strike.

Mr David Hubbard, the chairman, told the meeting that overall the company had made a sound start to the year. The all-important first three months matched expectations

Mr Eric Varley, chairman of Coalite, informed shareholders that the company would soon be able to announce the acquisition of nine coal concentration depots,

Plastic Constructions up

More than doubled taxable profits of £237,067, against £103,640, were achieved by Plastic Constructions in the half year to end-March 1986. Turnover rose from £6.57m to £9.13m.

Mr H. Aron, the chairman, said yesterday that the company was successfully penetrating new market area

However, he warned that trading conditions were being made difficult by the significant lower value of the pound against major European currencies.

The company undertakes design, *fabrication*, installation and supply of anti-pollution and corrosion-resistant equipment and system for engineering and chemical industries.

Earnings per 10p share for the first half were up from 1.43p to 3p after tax of £68,000 (£35,000). A higher interim dividend of 0.877p (0.836p) was declared.

Gross Fine drops plans for flotation

By Richard Tomkins

Gross Fine, the company which announced in May that it was to become the first estate agency to join the unlisted securities market, has had to drop its plans after failing to win Stock Exchange permission for the flotation.

The London-based group has a range of interests mainly connected with the commercial property market and residential property management. It had hoped that a USM quotation would bring commercial advantages and aid expansion.

Le Mare Martin, the stockbroker, had planned to bring the company to the market through a placing, but last month announced a postponement because of what it described as a technical hitch.

Mr Brian Meloy, a partner in the business, said yesterday that difficulties had emerged over the private interests of one of Gross Fine's directors, who was the joint proprietor of a privately-owned property company with other members of his family.

"There was perceived to be a potential conflict of interest because of his position with that company and Gross Fine's own property company subsidiary," Mr Meloy said.

"In fact they have been running side by side for years without any conflict emerging, but we had to accept that the potential was there and we have postponed the plans for a flotation indefinitely."

Imry Property bid approach

Imry Property Holdings announced yesterday that it had received a bid approach "which may or may not lead to an offer for the share capital."

In early July Imry announced a slip in pre-tax profits from £1.79m to £1.31m for the year ended March 31. The reduction was mainly caused by high interest rates and the loss of revenue from the Turriff building which has undergone a complete refurbishment.

Times Veneer stake

Swissville Investment yesterday acquired a 15.77 per cent stake in *"The Times" Veneer*, a timber company long the subject of bid speculation.

Last week a group of investors led by Mr David Landau, a solicitor, and Mr Robert Newman, an accountant, acquired 29.9 per cent of the company.

Lincroft Kilgour

Shares in Lincroft Kilgour, the fabric merchant and portfolio investor, were suspended at 240p on the Stock Exchange yesterday pending a further announcement.

The company has in the past attracted the support of several arbitrageurs and in 1984 fought off a bid from John Finlan, the construction group.

Lincroft itself made a bid approach earlier *this year to* Atkins Brothers (Hosiery), but the discussions were abortive.

ERSKINE HOUSE—the recent £10m rights issue of the copier rental and bureau de change group, has been taken up by holders of 7.64m new shares, or around 94.6 per cent of the issue. The balance has been sold in the market by the underwriters at 135p per share.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
CSC Invest ....int	3.6	Sept 19	3.6	—	9.35
Gibbon Lyons	‡2.32	Sept 19	—	3.52	—
Greggs ....int	2	Oct 14	1.65	—	4.3
Investing in Success int	1.26	Oct 1	1.26	—	5.74
Mercantile House	9.75	Sept 24	9	14	13
Mount Charlotte ...int	†0.61	Oct 8	0.53	—	1.4
MS Intl	1.5	Oct 4	0.1	2	0.1
Multitone	0.1	Sept 25	1.68	0.1	2.78
OTT ....int	2.9	Nov 3	2.55	—	6.5
Plastic Cons ....int	0.88	Sept 22	0.84	—	2.8
Stavert Zigomala	9.23	Oct 1	8.12	9.23	8.12
Transcontinental Serv	¶6	Sept 30	6	9.57	9.57
Zetters Group	3.75	—	3	5	4

Dividends shown in pence per share except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Gross throughout. ‖ US cents throughout.

BOARD MEETINGS

TODAY

Interims: Aaronson Brothers, Argyle Trust, Peter Black, Jebsens Drilling, Johnstone's Paints, Lex Service, Macarthys Pharmaceuticals, Midland Bank.

Finals: A and M, AIM, Cray Electronics, Gibbs Mew, M.L. Holdings, Marler Estates, Mid Wynd International Invest. Trust, PCT, William Ransom, David S. Smith.

FUTURE DATES

Interims—

Cannon Street Investments	Aug 5
Channel Islands and International Invest. Trust	Aug 14
Marley	Aug 28
Finals—	
Firth (G. M.)	Aug 12
Grosvenor Square Properties	Aug 7
Lawrie	Aug 4

Public Works Loan Board rates

Effective July 30

Years	Quota loans by EIP† %	Quota loans A‡ %	Quota loans repaid at maturity§ %	Non-quota loans A* by EIP† %	Non-quota loans A* A‡ %	Non-quota loans A* repaid at maturity§ %
1	—	—	10	—	—	10¼
Over 1 up to 2	10	9¾	9⅞	11	10⅛	10¼
Over 2 up to 3	9¾	9¾	9⅞	10⅞	10⅞	10⅛
Over 3 up to 4	9¾	9¾	9⅞	10¾	10¾	10⅛
Over 4 up to 5	9⅞	9⅞	9⅞	10⅝	10⅝	10⅛
Over 5 up to 6	9⅞	9⅞	9⅞	10½	10½	10⅛
Over 6 up to 7	9⅞	9⅞	9⅞	10½	10½	10⅛
Over 7 up to 8	9⅞	9⅞	9¾	10½	10½	10¼
Over 8 up to 9	9⅞	9⅞	9¾	10¼	10¼	10¼
Over 9 up to 10	9⅞	9⅞	9¾	10¼	10¼	10¼
Over 10 up to 15	9¾	9¾	9¾	10¼	10¼	10¼
Over 15 up to 25	9⅞	9¾	9⅞	10¼	10¼	10¼
Over 25	9⅞	9⅞	9⅞	10⅛	10⅛	10⅛

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Greggs profits increase 36%

BY ALICE RAWSTHORN

Greggs, the retail bakery group, reported a 36 per cent increase in interim profits yesterday and unveiled plans to diversify into the South of England with the acquisition of the North London bakery group, Geary's, for £350,000.

In the 24 weeks to June 14, Greggs produced pre-tax profits of £911,000 (£667,000) on turnover of £24.8m (£21.4m). Earnings per share rose to 8.23p (6.07p) and the interim dividend has been increased to 2p (1.65p).

According to the chairman, Mr Ian Gregg, profits would have been higher but for the delays, and increased expenditure, involved in the development of a bakery for the chain of shops in South Wales acquired from Allied Bakeries last summer.

The opening of the bakery, and subsequent refitting of the shops, was delayed for nine months. Thus the Welsh division is expected to break even in the course of the 1987 financial year rather than in the second half of this year, as Greggs had originally anticipated.

The rest of Greggs' operations sported healthy growth, however, and its expansion programme is proceeding on schedule. The company opened seven new shops in the first half of the year and plans to open an additional 10 shops in the second half. Shop openings should continue at the same pace in the 1987 fianacial year.

The pace of profits growth is expected to slow down in the second half of this year, chiefly because of the problems in Wales and an unflattering comparison with the second half of 1985 when the wet and windy "summer" weather boosted bread sales.

"Results for the full year are expected to show a steady improvement on last time," said Mr Gregg. "However, I have already indicated that we expect a reduced rate of profit growth in the second half which will also be affected by the slow progress in Wales."

Through the acquisition of Geary's—a trading division of the privately owned company, G. Garrett—Greggs will expand into the south of England for the first time.

● comment

Although Geary's represents an important first foothold in the south for Greggs, the acquisition has ben conducted with all the caution and conservatism the market has come to expect from this company. Geary's is a small chain of bakers shops with a small bakery, but will act as a useful testing ground for Greggs to gauge reaction to its products and management methods in the south where the bread market is less price pressured, yet consumer tastes are more sophisticated than in its northern base. The chairman's statement accompanying these results may strike a sombre note, but, Wales apart, each area of the business is buoyant; raw material costs, except for flour, should remain stable; and the trend among consumers towards healthier eating is steering Greggs out of the 'price warfare' of the sliced white bread sector, towards the healthier margins of natural breads. The City expects continued growth in profits to £3m for the year as a whole producing a prospective p/e of 14 on yesterday's share price up 2p to 240p, which, given the company's growth record, suggests scope for further increases.

Bristol Oil cuts its losses to £424,000

Bristol Oil & Minerals reduced its pre-tax losses from £1.44m to £424,000 in the six months to June 30 1986. Losses incurred in the whole of 1985 amounted to £6.81m. The first half losses would have been considerably less had it not been for net interest charges of £309,000 (£465,000).

Mr Paul Bristol, the chairman and chief executive, said the group had disposed of its 50 per cent interest in H. Pitman and Company, a Lloyd's insurance broker, and that gave rise to a profit on disposal of £144,000.

In addition, he said, agreement had been reached in principle for the sale of the group's oil and gas interests in the Dutch North Sea for anticipated proceeds of DM 8.5m (£2.3m), less associated costs. Group borrowings would be reduced by that amount to £8.58m when that sale was completed.

Following the downturn in the oil and gas industry, the group's principal activity is currently the development of its 400 acres of freehold land at Kingsnorth in Kent.

An agreement for the issue of £1m convertible loan stock was being finalised, subject to shareholders approval.

Turnover during the half-year was £94,000 compared with £2.66m. The loss per share was down from 3.57p to 1.07p. No interim dividend has again been declared.

Multitone falls £1.4m into the red

A FALL in turnover, especially in the UK, and high development costs, have helped push Multitone Electronics, a specialised communication systems designer and manufacturer, into pre-tax losses of £1.44m in the year to March 1986, against profits of £515,000.

Losses per share worked out at 7.8p (1.8p earnings) and in view of the loss, the directors are recommending only a nominal 0.1p dividend for the year.

Looking to the future, Mr Ian Kasten, the chairman, said the strong opening order book for the current year, and the positive trend in the order intake for on-site paging in the first quarter gave the directors grounds for expecting a significant increase in turnover.

"This improved trading position, coupled with a stable level of capital expenditure and our determination to ensure that stocks do not increase in line with the planned increase in turnover should enable the group to achieve a reduction in borrowings," he stated.

During the past three years the company had spent approximately £10m, divided nearly equally between the purchase of fixed assets and expenditure on product development and engineering. The cost of this programme had depressed profits, but the board believed that the current new products, and others still in development, would continue to benefit sales beyond this year, and that the company, after a very difficult period, should now start to benefit from its heavy investments.

Turnover fell from £20.36m to £18.46m, with UK sales down at £7.45m (£8.61m). The chairman had already referred to the adverse effect on group's sales of the delay in the introduction of new products.

These took longer to develop and engineer than planned he said, and although factory output during the last few weeks of the year was at record levels, the acceleration in deliveries came too late to avoid a shortfall in sales for the year as a whole.

The board had taken further action to minimise overhead costs, he added, but development expenditure had been maintained broadly at the previous level. The shortfall in sales volume, therefore, had a disproportionate effect on profits, which also suffered from the high cost of introducing more new products than in any previous year.

These factors, together with increased stock provisions were the main reasons for the unsatisfactory result, a trading loss of £1m compared with a trading profit of £0.71m in the previous year, Mr Karten said.

Interest charges increased to £487,000 (£195,000) for the year, and after a tax credit of £270,000 (£240,000 debit), attributable loss for the year came to £1.17m (£275,000 profits).

● comment

The market's best hopes that Multitone's losses might be stemmed at the interim level were disappointed yesterday, but investors have become inured to nasty surprises from the group and the shares managed to put on 1p to 43p. The buyer(s) were presumably acting on the assumption that matters could hardly get any worse, and in this they might at last be right: with sales of the new products now running at full pelt, Multitone would have to pull a mighty rabbit out of the hat to do any worse this year. The trouble is that the company dare not cut back on its heavy development spending for fear of being caught again without competitive products, and that combined with the weight of borrowings—now 50 cent of shareholders' funds — means that profits, if any, will be small. With a takeover ruled out by the directors' shareholdings, investors at this level are therefore taking a long-term view on the fundamentals, and the evidence so far suggests a cautious approach is appropriate until Multitone has proved an ability to stay ahead of this fast-changing market.

Gibbon Lyons beats forecast with £0.4m

WITH A 27 per cent increase in pre-tax profits to £410,910, Gibbon Lyons Group, printing ink manufacturer, has beaten by some £46,000 the forecast in the USM flotation document last October.

The result for the year to end March 1986 compares with £353,987 last time, and came out of turnover 15 per cent ahead at £3.42m. The sales include an eight month contribution from Shinecoat, the print lacquering company in which Gibbon acquired a majority interest during the year.

The directors said yesterday that group sales for the first three months of the current year were ahead on last year, but trading conditions remain difficult, and competition, especially from foreign ink-makers, remains fierce. They believe, however, that the company will maintain and improve its market share throughout the rest of the year.

With earnings per share at 5.4p (4.2p), there is a first time final dividend of 2.32p per share, making a total of 3.52p. The company paid £195,134 in tax, against £163,496.

During the current year two new Colorcentres have been opened, one in Chesham, Buckinghamshire, and the other in Brighton, Sussex. While it was not expected that the additional overheads would be covered by extra sales achieved, both Colorcentres have made excellent progress in their first three months, and are already trading profitably.

Bingo behind 27% rise at Zetters

THE bingo division of Zetters Group—its main activity is that of football pools operator—was almost entirely responsible for the 27.3 per cent increase in pre-tax profits reported yesterday.

Group profits advanced from £1.44m to £1.83m in the year to March 31 1986, and the final dividend is raised from 3p to 3.75p for an increased total of 5p net compared with 4p. Stated earnings per 5p share rose from 12.41p to 17.26p.

Turnover was ahead at £27.98m (£26m), with bingo increasing its share from £6.66m to £8.04m. Gross stakes received from football pools were £19.94m against £19.34m. Tax was higher at £701,286 (£625,987), leaving attributable profits at £1.13m (£813,979). After dividends of £327,875 (£262,300), retained profits came out at £803,825 (£551,679).

At this early stage in the current year, bingo continued to perform well, and pools continued to make only slight progress. The early signs were that the group should record a satisfactory result in 1986-87, said the directors.

BICC reported that the A$50.3m (£21m) public sale of 30.5m shares of its subsidiary, Metal Manufactures, at A$1.65 each, opened and closed fully subscribed yesterday. BICC will receive net proceeds of A$48m (£20m) which will be used to to reduce borrowings.

City and Foreign earnings rise

City and Foreign Investment achieved net revenue before tax of £153,400, against £35,000, for the first six months of 1986. Tax was £56,800 (£10,900).

Net asset value per 25p share at the end of the period stood at 137½p compared with 141½p a year earlier.

City said that £88,000 had been provided for in respect of defence costs at June 30 arising from the offer by Harvard Securities which lapsed.

First-half earnings were 2.415p (0.603p) per share.

Klearfold lower at interim stage

Results at Klearfold Inc were below expectations in the six months to June 30 1986, but the directors said the outlook for the rest of the year was more favourable.

Pre-tax profits came out lower at $470,000 (£315,000) compared with $829,000. Turnover was also down at $8.21m against $9.81m. An interim dividend is being paid this time of 1.6 cents gross. The company has a London listing.

Stated earnings per share were down from 6.3 cents to 2.85 cents.

UK COMPANY NEWS

MS International at £3m as recovery continues

MS International has continued its recovery, and for the 53 weeks to May 3 1986 achieved pre-tax profits of £3m compared with losses of £492,000 for the previous 52 weeks.

Turnover for this Doncaster-based mechanical and electrical engineering group improved by 5 per cent to £65.09m (£61.95m), but operating profits jumped from £1.62m to £5.13m.

A final dividend of 1.5p (0.1p) is proposed, which brings the total for the year to 2p. A single 0.1p dividend has been paid for the past four years.

Looking ahead, Mr K. Blair, the chairman, said that prospects for the current year were encouraging, with operational divisions set to benefit from substantial order books and further cost reductions.

The company disposed of its two loss-making Laurence Scott subsidiaries in June, which should result in enhanced earnings, he stated. As soon as suitable acquisition opportunities occurred the plans to expand the two smaller divisions would be implemented.

For the year under review, turnover in the electrical engineering division fell from £36.3m to £32.8m, but operating profits were just ahead at £1.99m (£1.94m). The companies remaining in this division since the disposals returned an operating profit of £1.38m on sales of £9.3m.

The mechanical engineering division, on increased turnover of £6.9m (£6.3m) suffered a drop in operating profits from £686,000 to £515,000.

Turnover rose £6m to £25.3m in the mining equipment division, and an operating loss of over £1m was turned into a profit of £2.62m.

After tax of £687,000 (£267,000 credit), earnings per 10p share came out at 10.7p against losses of 0.9p.

comment

With rationalisation costs below the line and consequential insurance payments above it, MS International finally puts a seal on the recovery with £3m pre-tax. Having disposed of the bulk of the loss-making Laurence Scott business the balance sheet is (for MS) relatively ungeared at 55 per cent and the management can now concentrate on where it is going rather than fire-fighting. If nothing else Laurence Scott has taught MS what not to buy so when it now talks about making acquisitions again investors should ignore natural instinct to run for cover. MS is looking for niche operations (with good management) in either mechanical engineering of defence. The targets are more likely to be found within larger quoted groups than elsewhere, a vendor placing with a rights option the most likely method of payment. Even without additional businesses at least £4m pre-tax looks right for this dropping the p/e to 9 at 112p. The shares have outperformed the market by 144 per cent in the last 12 months so the main chaince may be missed but the price still looks somewhere between reasonable value to cheap.

Gallaher advances 7% at midway

PRE-TAX profits at Gallaher, a subsidiary of American Brands, improved by 7 per cent from £53.9m to £57.7m in the six months to June 30 1986. But the directors said trading profits overall were flat and were actually down from £65.9m to £65.7m, with en increase in tobacco offset by a reduction from non-tobacco operations.

Group turnover, excluding VAT or its equivalent, rose from £1.40bn to £1.50bn, with tobacco contributing £1.18bn compared with £1.08bn. Domestic sales of tobacco were ahead for the half year after showing the normal seasonal fall in the second quarter, following trade stocking ahead of the Budget. Both cigarette and cigar volumes were up in declining markets.

w In the second quarter, pre-tax profits were £300,000 higher at £16m. Turnover in the same period rose from £616.6m to £677.2m, with tobacco contributing £456m against £396.3m.

Total tobacco profits in the first half were 8.4 per cent ahead at £48.9m (£45.1m) with god domestic results, but these werepartially offset by lower results from some overseas tobacco companies and exports.

The optical division responded to new marketing strategies and the second quarter showed an improved trend in the UK. Results for the half-year met expectations with turnover up from £55.6m to £56.3m. Profits were down, however, from £7m to £4.5m after substantial promotion expenditure.

Overall results in engineering were lower at £3.4m (£3.6m) from turnover of £50.7m (£52m) but there were improved performances from Mono Pumps and FIP. There were losses in the foundry division of Saunders Valve.

Wace lifts profits 44% halfway

Wace Group lifted pre-tax profits by 44 per cent from £225,000 to £324,000 in the first half of 1986, on turnover 17 per cent ahead at £3.31m against £2.83m.

Mr E. A. Pryor, chairman of the group which provides a pre-press service to advertising agencies, printers and publishers, said the company intended to consolidate the very real gains made over the last two years.

The directors anticipated receiving a considerable amount of pre-press work over the next few months, and in the longer term they viewed the future with confidence. The year would be another of new challenges and achievement, he stated.

The directors were considering the acquisition of a number of businesses, some of which would involve further controlled diversification. The company was in negotiations for the acquisition of a "substantial and exciting company," the chairman stated. It expected to make a formal announcement to shareholders soon.

From operating profits of £406,000 (343,000), other expenditure took £32,000 (£35,000), and interest £50,000 (£83,000).

The chairman had already reported details of the deferred tax provisions necessary because of the provisions in the Finance Act 1984. Wace profits for first half 1986 now eliminate these losses, he said, and a further deferred tax provision of £85,000 had been made.

The remaining profits of Wace and of Bulls Frieson acquired in March, necessitated a tax provision of £82,000.

Earnings per 20p share emerged as 3.3p (3p), or 2.1p (2.5p) after the further deferred tax provision. The directors hoped to recommend a dividend next year, Mr Pryor said. The last payment was in 1980.

The company's shares fell 11p to close at 61p.

Acatos & Hutcheson subscribed 1.4 times

Hill Samuel, the merchant bank sponsoring the flotation of edible oils producer Acatos & Hutcheson, confirmed yesterday that the offer for sale had been subscribed 1.4 times with 1,716 applications received for the 6.5m shares on offer.

The share allocation has been weighted towards smaller applicants,

Preferential applications were received from 160 employees for 494,600 shares, some 26,114 more than the number reserved for them. Excess applications will be treated in the same way as those from the public.

Other applications will be met in full for up to 10,000 shares. Applicants for 15,000 to 20,000 shares will receive 90 per cent of the number sought; applicants for 25,000 to 50,000 will receive 80 per cent; applicants for 60,000 to 100,000 will receive 70 per cent; applicants for 110,000 to 250,000 will receive 60 per cent; applicants for 260,000 to 500,000 will receive 52 per cent; and applicants for over 50,000 will receive 41 per cent.

Yearlings

YEARLING BONDS totalling £3.25m at 9½ per cent, redeemable on August 5, 1987, have been issued by the following local authorities: St Helens Metropolitan Borough Council £0.5m; Edinburgh District Council £1m; Dudley Metropolitan Borough Council £0.75m; Greater Manchester Passenger Transport £0.5m; Test Valley Borough Council £0.5m.

Acsis Jewellery £0.3m in red

Acsis Jewellery, quoted on the USM, finished the 1985-86 year £315,000 in the red pre-tax compared with a £109,000 profit the year before.

In addition, the company accounted for £238,000 (£79,000) of extraordinary debits, mainly for closures, which left an attributable loss of £570,000 against a £30,000 profit.

Loss per 10p share was 6.89p (earnings 2.02p) and the directors decided again to not recommend a final dividend. A nominal 0.001p (same) interim payment was made.

Acsis said it undertook an intensive programme of re-equipping and restocking shops aimed to confront serious marketing difficulties which eroded first half results.

Distribution and administration costs involved in carrying out this programme were substantial, added to which the Christmas trading was not as buoyant as had been expected.

Alongside the upgrading programme, the company put into action a phased withdrawal from a group of outlets which were not performing satisfactorily. Turnover of £3.811m (£4.86m) for the year to February 1 excluded sales of these branches during the closure period. The small manufacturing operation was similarly identified as a segment which was draining resources and this was also wound down.

Acsis said that difficult trading conditions had persisted into the current year.

Significant cuts had been made in administration overheads and steps had been taken to reduce high stocks arising from the poor Christmas trading period.

The key priority, Acsis said, was to secure a marked increase in profitable turnover through well-placed outlets.

Robert Horne full listing

Robert Horne, the USM-quoted paper merchant, is expected to move to a full listing on Monday. Th group is Europe's largest independent paper merchant and with a market capitalisation of £56m, it is one of the biggest companies on the USM. Chairman Mr Kenneth Horne said progress to the main market was part of the continuing development of the group.

Continental Assets

Figures for the six months ended June 30 1986 from Continental Assets Trust show earnings at 0.22p per share. Income totalled £132,000 and pre-tax profit was £42,000.

The trust was launched on October 23 1985. Since then the net asset value had risen by 15.8 per cent, the directors reported.

At the end of 1985, the trust had given commitments representing some 60 per cent of assets. It is still the intention to move towards a fully invested position by the end of its first full financial year.

Transcontinental Services up sharply to £7.3m

Transcontinental Services Group NV, an investment holding company, reported a substantial increase from £4.13m to £7.32m in pre-tax profits for the year to March 31 1986. Dividend income rose from £673,000 to £1.47m, but interest income was lower at £2.73m compared with £3.42m. The company's head office is at Curacao, Netherlands Antilles.

Profits on sales of investments held for dealing were £11.03m against £2.15m, and sundry income was down from £285,000 to £80,000. Diminution in value of investments held for dealing totalled £1.6m (£298,000). Interest expenses were £2.99m (£199,000), and administration expenses were up from £1.89m to £3.4m.

The final dividend is unchanged at 6p for a same-again gross total of 9.57p. Stated earnings per share improved from 13.6p to 20.9p, and net asset value per share rose from 221p to 271p fully diluted.

Transcontinental's currency hedging strategy had continued to work well during a period of US dollar decline.

Guinness Peat disposal

New London Oil has reached agreement whereby it will acquire certain US oil and gas properties and working capital of US$700,000 from the Guinness Peat Group in exchange for an issue of 8.05m shares.

In addition New London will make an issue to Guinness Peat of warrants to subscribe for further new ordinary shares in New London representing 5 per cent of the authorised ordinary of the company at 26p per share.

On completion of the transaction, Guinness Peat will own around 27.3 per cent of New London.

COMPANY NEWS IN BRIEF

RESULTS

RIGHTS AND ISSUES Investment Trust increased its net asset value per 25p income share from 118.9p to 186.2p, and its 25p capital share from 50.3p to 65.2p. The interim dividend is raised from 1p to 1.1p net and the board intends to pay a final of not less than 3.1p (3p). Revenue before tax for the six months to June 30 1986 was up from £79,584 to £85,607. Tax took £22,876 against £28,774.

I. D. & S. RIVLIN HOLDINGS reported a pre-tax profit for the year to the end of April 1986 of £12,000 against a loss of £91,000 on turnover down at £1.18m (£1.44m). There were extraordinary debits of £75,000 (£26,000) relating to closure costs and a termination payment to a former director. Earnings per 5p share for this USM-quoted company, before extraordinary items, was 0.1p (2.4p losses) and the directors are proposing an unchanged single final payment of 0.1p.

STAVERT ZIGOMALA, furniture and carpet wholesaler and retailer, made pre-tax profits of £60,623 (£49,221) for the year ended March 31, 1986, on turnover of £729,499 (£539,511). After tax of £17,218 (£14,447) earnings per 20p share were 14.55p (11.67p). The dividend is up from 8.12p to 9.23p net.

ABERDEEN AMERICAN Petroleum Company, engaged in oil and gas exploration and development, reported a pre-tax loss of £204,134 (£595,808) for the first six months of 1986. The company is unlisted.

CSC INVESTMENT TRUST reported an increase from £2.49m to £2.85m in group net assets in the six months to June 30 1986. Net asset value per 25p share rose from 152.01p to 173.7p, and earnings per share were higher at 3.53p (3.44p). The interim dividend is unchanged at 3.6p net. Net revenue moved ahead from £56,638 to £58,096. The directors anticipated further progress during the second half.

BIDS AND DEALS

JAMES FERGUSON, the financial services and property group, ha dits shares suspended at 93p on Tuesday pending an announcement. It is expected to unveil, probably next week, a rights issue and the acquisition of a stockbroking company.

PARKFIELD—Mr Roger Felber, the chairman of this USM quoted mini-conglomerate has cut his stake from 11 per cent to 7.6 per cent. Mr Felber sold 268,484 shares to a group of institutions at 505p a share, realising a gain of £1.4m. He said he would not be selling any more shares in the foreseeable future.

BSG International has sold Barlow Bright Steels to Glynwed for about £1.3m—the consideration will be based on net asset value. Barlow has repaid a loan from BSG of some £700,000.

AUSTIN REED Group has agreed terms for the sale of Honorbilt to Crusader Associates for an amount based on the net asset value of the company. Crusader Associates is a company formed by Harold Tillman and Maurice Djanogly to acquire Honorbilt and further textile companies.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1985							
1st qtr.	106.7	102.5	104	112.4	132.9	3,138	153.6
2nd qtr.	109.9	104.5	100	115.6	141.4	3,174	163.7
3rd qtr.	108.4	102.7	103	114.3	145.2	3,124	164.4
4th qtr.	108.4	103.5	104	116.6	177.7	3,122	163.2
November	109.4	103.3	103	117.4	164.8	3,114	170.0
December	107.3	103.8	110	117.3	210.4	3,122	162.1
1986							
1st qtr.	109.3	103.2	97	118.0	145.4	3,171	164.6
2nd qtr.				120.0		3,208	173.1
January	108.6	103.0	90	117.8	145.8	3,152	159.7
February	109.2	103.3	97	117.2	140.9	3,161	165.0
March	109.5	103.2	104	119.8	148.5	3,199	168.8
April	110.1	103.4	100	119.3	152.1	3,200	163.0
May	108.6	103.2		118.2	149.8	3,205	171.1
June				122.0		3,220	185.3

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Cnsmer. goods	Invest. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1985							
1st qtr.	103.4	102.9	109.9	104.1	111.0	100.7	13.8
2nd qtr.	103.4	105.0	113.5	105.6	115.9	102.1	13.6
3rd qtr.	104.3	102.3	113.2	103.5	114.4	103.2	17.1
4th qtr.	103.7	102.6	112.5	103.1	111.6	102.8	15.7
November	103.8	101.5	113.9	102.0	113.0	104.0	16.5
December	104.3	103.2	110.9	104.0	110.0	102.0	11.0
1986							
1st qtr.	103.5	102.7	115.0	103.3	106.3	102.7	14.2
January	102.7	102.4	114.1	103.0	108.0	102.9	12.9
February	104.2	102.6	115.8	103.0	106.0	104.0	12.5
March	103.5	103.2	115.1	104.0	106.0	102.0	16.5
April	104.4	101.6	116.6	104.0	105.0	103.0	18.8
May	104.3	102.1	112.2	104.0	106.0	101.0	17.2

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); official reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Reserve US$bn*
1985							
2nd qtr.	120.5	124.8	−124	+1,567	+2,411	97.8	14.32
3rd qtr.	116.3	124.1	−453	+1,472	+1,906	100.2	14.18
4th qtr.	118.9	127.4	−225	+762	+1,393	101.6	15.54
November	118.5	129.6	−214	+ 59	+649	102.1	15.96
December	119.4	127.8	− 18	+423	+491	101.7	15.54
1986							
1st qtr.	117.4	128.1	−1,400	+528	+1,994	101.6	15.75
2nd qtr.	121.3	128.4	−1,554	+548	+765	102.5	19.50
January	118.7	129.3	+155	+1,098	+987	101.7	15.58
February	120.7	125.8	−344	+152	+678	100.7	15.81
March	112.7	132.2	−1,211	−724	+330	100.7	15.75
April	122.2	121.9	−265	+425	+265	101.7	15.60
May	120.7	131.4	−666	+ 34	+212	102.2	19.17
June	121.1	129.8	−623	+ 77	+288	102.7	19.50

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP†, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advncs. %	BS inflow £m	HP lending† £m	Base rate %
1985							
2nd qtr.	5.1	22.4	20.4	19.2	1,522	3,062	12.50
3rd qtr.	5.5	15.4	11.6	17.5	1,771	3,374	11.50
4th qtr.	1.4	25.1	17.8	17.7	2,280	3,421	11.50
November	3.0	21.5	20.4	17.6	635	1,086	11.50
December	2.7	29.1	14.2	17.0	565	1,182	11.50
1986							
1st qtr.	6.5	9.0	10.7	12.2	2,228	7,369	11.50
2nd qtr.	2.5	33.9	33.3	25.7	1,423		10.00
January	9.8	14.8	11.1	11.4	779	3,734	12.50
February	4.6	5.2	6.8	8.1	783	2,238	12.50
March	5.1	8.2	14.3	18.4	657	2,318	11.50
April	9.3	21.5	28.6	26.5	758	2,741	11.50
May	3.5	42.8	29.4	27.9	500	2,365	10.00
June	2.8	35.5	33.7	25.7	177		10.00

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (Jan 1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* cmdty.	Sterling
1985							
2nd qtr.	170.2	138.8	138.4				
3rd qtr.	174.4	133.1	140.2	375.2	330.4	278.12	78.9
4th qtr.	176.9	132.6	141.4	376.2	335.5	261.18	82.3
November	176.8	132.1	141.5	378.1	337.4	n/a	79.8
December	180.6	134.7	141.9	378.4	337.4	n/a	80.0
1986				378.9	339.4	n/a	79.1
1st qtr.	179.1	132.6	142.4	380.8	343.3	n/a	75.1
2nd qtr.		128.3	145.7	385.7	349.5		76.1
January	178.9	135.0	142.7	379.7	341.1	n/a	76.6
February	177.9	133.5	142.3	381.1	343.6	n/a	74.2
March	182.4	129.4	144.3	381.5	345.3	n/a	74.6
April	184.6	127.1	145.4	385.3	347.4	n/a	76.2
May	182.6	126.7	145.9	386.0	349.8	n/a	76.1
June		126.2	145.9	385.8	351.4	n/a	75.9

* Not seasonally adjusted.
† From January 1986 includes amounts outstanding on credit cards.

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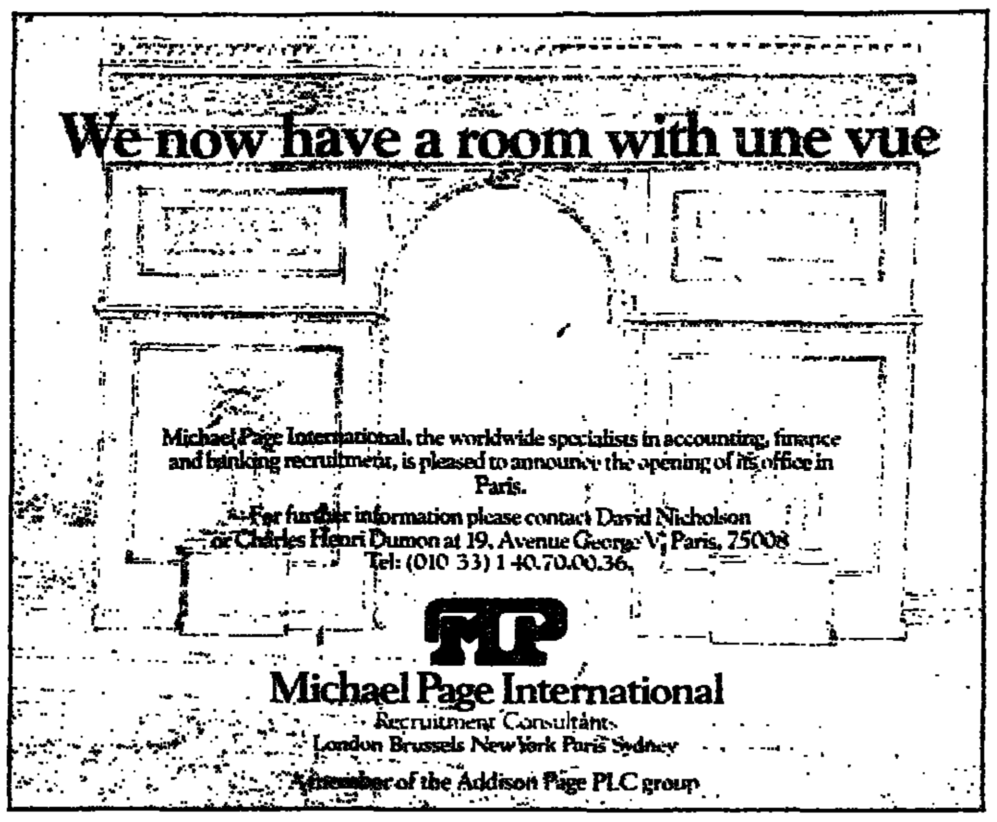

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BUSINESS LAW

Legal aid means aid for lawyers

By A. H. HERMANN, Legal Correspondent

MUCH has been heard about the rate of legal aid fees paid to solicitors and barristers. The lawyers even took the Lord Chancellor to court and obtained an improved offer. But not everyone realises that the rate of legal fees is only one of the factors determining lawyers' remuneration. The other is the relative freedom with which lawyers can decide what type of services the legally-aided client needs—and indeed whether he needs any at all.

The Legal Aid Fund being an open cheque to which no cash limit is applied, some lawyers can fill all the time available to them by exploiting to the full the opportunities for complications, delays and over-elaboration that the present state of law and procedure offers. Both a parliamentary committee and inter-departmental scrutiny which reported recently seem to suspect that this may explain, at least in part, why the gross amount of legal aid rose from £87m in 1979-80 to £263m in 1984-85 — it trebled over a period when the retail price index increased only by 59 per cent.

A major part of the increase in the cost of legal aid is due to the Green Form scheme enabling applicants, whom the solicitors accept as being within the income limit, to obtain advice costing up to £50 — or up to £90 in matrimonial cases.

It is in the nature of such first interviews that the solicitor granting them has no way of knowing beforehand whether *the applicant's problem is legal*, social or emotional. Expenditure on this legal first aid rose from £1.3m in 1973-74 to £44.1m in 1984-85. Green Form bills now represent 62 per cent of all legal aid bills, and this year the Law Society expects that 1.1m people will make use of the scheme.

Though such work involves usually only a brief interview which can be easily fitted in with the solicitor's more substantial tasks, it is often an important source of income. The largest payment made in 1985-86 under this scheme was £231,987 to one firm of solicitors. This represented 4,677 bills by the firm's five fee-earning lawyers who, on average, could produce some £46,000 by providing four green form interviews in each of their working days. Overheads have to be, of course, deducted from these gross figures.

The elasticity of legal aid is even greater when it comes to continued advice or litigation. Since legal aid was withdrawn from divorce proceedings, it has increasingly been used for disputes about matrimonial property *following the divorce*. There is also a great increase in its use for wardship proceedings and in claims for professional negligence by doctors, lawyers and others. In one legally aided case now before the courts, the defendant is a drug company and six months have been set aside for the hearings. Litigation against banks for withdrawing loan facilities and thus causing the failure of the debtor is also on the increase.

All this, however, does not explain the rise in the costs of legal advice. Giving evidence before the Public Accounts *Committee, Sir Derek Oulton*, the Permanent Secretary in the Lord Chancellor's Department, said: "We know what we pay for legal aid bills . . . but we are not always sure exactly how they are made up, why they rise, why they change."

Nor is this a new problem. Already in 1983 the Information Sub-Committee of the Legal Aid Advisory Committee reported to the Lord Chancellor that "except in the most crude and general terms, we do not know how, or in what ways or upon whom, money devoted to the legal aid and advice schemes is spent." A procession of business consultants called *in by* the Law Society and the Lord Chancellor merely translated the question into fashionable managerial jargon adopted by Sir Derek: he feels that in the end "It is going to be business analysis which is going to be the most help, followed by the strategy which the Law Society are now undertaking, leading up to the provision of their new computer."

However, a computer can process only the information which you put in. Not even a computer will learn much from the verbose non-information provided by the solicitors' cost draftsmen, who are paid a percentage of the bill and so are directly interested in length and obscurity to prevent scrutiny.

The Lord Chancellor's Department administers directly only legal aid in criminal cases—the greater part of legal aid expenditure on civil matters is administered by the Law Society which, as the recent litigation with the Lord Chancellor made clear, is a trade union of solicitors trying to get for them as much money as it can. It must suffer a conflict of interests when it also administers payments to solicitors from a public fund on which there is no cash limit. The Law Society argues that its *department administering* legal aid is separated from the rest by a sort of Chinese wall. The results seem to suggest that the wall is not very effective.

In theory, legal aid is devised for the benefit of the impecunious client. However, when the client wins and receives *damages, he has to refund* to the Legal Aid Fund whatever was paid to the solicitor. In some cases, the costs can consume most of what he gets. Thus, the "winner" may even have to sell the house about which the divorced parties were fighting.

The Public Accounts Committee, in its 32nd report, published on June 9, doubted whether the only three reported cases of legal aid abuse provided a realistic indication of the actual degree of abuse of the scheme by clients as well as solicitors. It recommended that standard rates of remuneration for all civil legal aid work should be fixed as soon as possible.

The report of an inter-departmental scrutiny of the efficiency of legal aid, published on June 27, concluded that waste of money on unnecessary procedures and hearings should be avoided by employing only experienced and specialised practitioners. It *found the Green Form* legal advice scheme was wasteful without guaranteeing reasonable assistance to all who needed it.

The first interview, the report concluded, should be given by agencies, such as the Citizens Advice Bureaux, and private practitioners should be involved *only when it became clear* that there was a legal issue or that court proceedings needed to be initiated. The report suggested that instead of the Law Society, a new legal services board should be in charge of legal aid and legal advice, including that provided by agencies.

The report points to the enormous waste caused in the magistrates' courts by listing all cases for the beginning of the day and letting parties, lawyers and witnesses wait their turn. But the recommendation of twice-daily listings does not go far enough. US experience shows that computers can *successfully co-ordinate* appearances of lawyers in different courts and make more exact appointments.

Both the parliamentary report and the inter-departmental review make numerous useful recommendations. But neither addresses the central question whether legal aid is the right solution at a time when most disputes concern claims for some form of monetary compensation. Some 75 per cent of the population, including some with above-average income, qualify for legal aid. But legal services remain slow, wasteful, often unsatisfactory and unavailable for those above the statutory income limit—unless they are very rich. It is becoming increasingly obvious that a contingency fees system should no longer be dismissed out of hand and that it could solve many of our present problems.

A contingency fee system, in which the lawyer is paid by a share of the award, would ensure faster settlements. Only strong cases would be brought to court and the lawyer would be interested in simplifying and speeding up the proceedings as he would be paid by result and not by the creativity of his cost draftsman. The litigant, whose award now may be completely consumed by legal costs, would be sure to *retain 60 to 70* per cent or more, according to the contingency agreement. Those who receive small awards would be always better off; those receiving large awards often, but not always.

The contingency fee system is suitable only for some types of disputes; legal aid could continue for other types. There is no need to fear that it would lead to exorbitant awards as in the US where the lawyer can stage a drama for the jury. The contingency fund system proposed by Justice—the non-party organisation of jurists — and considered by the Law Society, might relieve the public purse by replacing the Legal Aid Fund but would do nothing for greater efficiency of the legal service. Efficiency, not the replacement of one fund by another, is the target.

Thirty-second Report from the Committee of Public Accounts. Provision of Legal Aid in England and Wales. Published by HMSO, £4.00.

Legal Aid: Efficiency Scrutiny. Published by the Lord Chancellor's Department, £5.00.

APPOINTMENTS

Midland Bank strengthens board

Mr Archibald W. Forster, chairman and chief executive of Esso UK (from July 30); Mr Geoffrey Maitland Smith, chairman and chief executive of Sears (from September 5); and Sir Eric Pountain, chairman and chief executive of Tarmac (from November 7), join the board of MIDLAND BANK as non-executive directors.

★

Dr Den Hammond, founder director of the HEWLETT-PACKARD Bristol research centre, is shortly to return to the corporation's headquarters in Palo Alto, US in a new role as associate director of Hewlett-Packard Laboratories. Dr John Taylor, director of the information systems laboratory at Bristol, has been promoted to director of the Bristol Research Centre, and will also serve as a member of the Hewlett-Packard UK executive council which oversees and co-ordinates the activities of Hewlett-Packard Limited.

★

CLARKSON PUCKLE GROUP, member of the Dalgety Group, has purchased the insurance broking business of the LMS Group, based in Guildford. A new company will be named Clarkson LMS and the board will be: Mr B. M. Waters, chairman; Mr C. L. Burgess, deputy chairman; Mr P. H. Gray, managing director; Mr B. T. Clarke, Mr A. W. G. Dungar, Mr P. R. H. Friend, Mr D. B. Houghton, Mr D. P. Larmer, Mr G. Marsh, and Mr C. H. Matthews. The board of Clarkson Puckle Construction Brokers *is now as follows*: Mr D. M. Berliand, Mr C. L. Burgess, Mr A. J. Ellison, Mr B. Etchells, Mr C. R. Neale, Mr R. A. Neulaender, Mr R. G. C. Pummell, and Mr B. M. Waters.

★

At the annual meeting of the ALUMINIUM STOCKHOLDERS' ASSOCIATION Mr Lewis Garfield, *director of Garfield Lewis*, was elected chairman for the next two years.

★

The following have been appointed executive directors and join the board of SWISS BANK CORPORATION INTERNATIONAL: Mr David Brearley, Mr Gareth Bullock, Mr Jean-*Marie de Charriere, Mr Kevin* Lewis, Mr Stephen Mahony, Mr Alan Martin, Mr Paul Newton, Mr David Phillips and Mr Hugh Scott-Barrett. The bank has also appointed Mr Michael Allen, Mr Madoc Batcup, Mr Malcolm Basing, Mr Philip Byrne, Mrs Rosemary Carawan, Mr Urs Frei, Mr Philip Gould, Mr Piers Maynard, Mr Adrian Palmer, Mr Patrick Rosenberg, Mr John Styles and Mr Graham Watkinson as associate directors.

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. Date	1986 High	1986 Low	Stock	Closing Price	+ or −	Net. Div.	Times Cov'd	Gross Yield	P.E. Ratio
§125	F.P.	24/7	168	136	‡Accord Publications 5p	167	......	R43.1	2.6	2.6	21.2
‖	F.P.	15/8	127	108	‡Airsprung Group 10p	112	......	5.4	2.8	6.8	7.4
§115	F.P.	22/8	141	128	‡Anglia Sec Homes 10p	141	+7	R1.63	5.0	1.6	17.4
115	F.P.	11/7	190	155	Arlington Sec. 10p	173	......	b1.7	4.3	1.4	23.7
§115	F.P.	—	125	120	‡Atlas Conv'ting Eqp 5p	123	......	R4.9	2.3	5.6	11.1
§67	F.P.	8/8	71	68	‡BBB Design Grp 5p	70	......	L1.0	4.2	2.0	16.8
‖	F.P.	—	286	280	BTR Nylex A$0.50	286	......	Q15c	2.7	2.2	16.5
§145	F.P.	15/8	158	145	‡Beaverco 5p	150	......	u5.0	2.4	4.7	11.9
‖	F.P.	—	53	41	Bertrams Inv. Tst.	45	+2	—	—	—	—
§37½	F.P.	25/7	43½	38	‡Bipel 5p	42	......	R1.23	3.1	4.1	10.5
125	F.P.	8/8	147	128	‡Borland Intl. Inc	147	......	u02c	1.4	0.9	20.6
§63	F.P.	6/8	69	61½	‡Camotech 10p	66	......	R2.0	2.4	4.3	13.5
§110	F.P.	18/7	115	85	‡C'bell & Armstrong 5p	98	......	u3.91	1.9	5.6	12.5
§125	F.P.	7/8	135	129	‡Chelsea Man 5p	129	......	L2.2	2.8	2.4	21.2
100	F.P.	—	84	84	Child Med C.IT£1	84	......	—	—	—	—
‖	F.P.	18/7	110	85	Clarkson (Horace)	100	......	L4.75	1.5	6.7	13.7
¶	F.P.	—	100	57	Clayform Warrants	60	+3	—	—	—	—
§84	F.P.	1/8	91	84	‡Coated Electrodes 5p	90	......	u3.9	1.6	6.1	14.0
237	100	—	110	90	Dee Corp.	102	+12	5.8	1.9	3.5	18.5
§70	F.P.	22/8	74	71	‡Fletcher Dev'ys S. 5p	73	......	L2.5	1.9	4.8	15.5
210	F.P.	—	203	191	G. T. Management 1p	203	+3	R3.0	3.4	2.1	17.1
150	F.P.	25/7	156	150	Guthrie Corp	154	+2	u5.3	2.2	4.8	9.9
150	F.P.	15/8	161	156	Harrison Inds. 10p	156	......	g5.0	2.7	4.5	11.7
§92	F.P.	28/8	95	87	‡Hille Ergonom 10p	90	−5	L2.0	3.1	3.1	12.4
§85	F.P.	24/7	117	90	‡Hodgson Hldgs 5p	110	......	R2.13	2.3	2.7	20.0
§20	F.P.	15/8	25	21½	‡Hughes Food 5p	23½	−½	R0.5	2.8	3.0	16.9
—	F.P.	—	£37	£36	JF Pacific Warrant S.A.	36½	−½	—	—	—	—
R30	Nil	—	325	180	Joel (H.J.) Ltd Units	180	......	—	—	—	—
§154	F.P.	13/8	159	157	Kleinwort Dev. Fnd	158	+1	—	—	—	—
100	F.P.	15/8	90	85	‡M6 Cash & Carry	88	......	u3.55	2.1	5.7	9.8
¶500	F.P.	29/8	516	427	Morgan Grenfell £1	430	+3	L8.5	—	2.8	—
§120	F.P.	29/8	120	110	‡Per. Computers 5p	110	−2	R3.0	3.3	3.8	11.2
§123	F.P.	29/8	114	112	St. David's Inv. Tst. Inc.	112	......	H6.8	—	8.6	—
§75	F.P.	29/8	77	75	Do Cap.	75	......	—	—	—	—
§72	F.P.	15/8	160	99	‡Shield Group 5p	125	......	L2.0	3.1	2.3	18.2
§165	F.P.	1/8	184	160	‡Smallbone 10p	160	......	u5.0	2.1	4.4	14.9
—	F.P.	—	55	43	Smith Newcourt War'ts	52	......	—	—	—	—
§40	F.P.	31/7	42	35	‡Soundtracs 5p	37	......	61.2	2.8	4.6	11.0
§98	F.P.	6/8	106	98	‡Space Planning 10p	100	......	R1.8	3.4	2.5	16.3
§110	F.P.	28/8	125	119	Stanley Leisure	124	......	u3.25	2.8	3.7	13.7
130	F.P.	21/8	149	151	‡TV-am 10p	151	+6	R5.75	2.6	5.4	10.0
§95	F.P.	25/7	114	104	‡Task Force 5p	108	......	R1.78	3.8	2.3	16.0
112	F.P.	8/8	130	116	Tenby 50p	130	+1	u4.0	2.6	4.3	10.1
190	F.P.	1/8	242	219	Thames TV	224	+2	49.5	1.9	6.0	12.6
120	F.P.	6/8	130	106	Tibbet & Britten 5p	125	......	R3.5	2.6	3.9	14.0
§63	F.P.	22/8	68	66	Unilock 20p	67	......	1.98	2.7	4.2	12.7
††	F.P.	—	100	95	Welsh Ind. Inv. Tst. 5p	100	......	—	—	—	—
106	F.P.	22/8	112	110	Windsmoor 5p	112	......	u3.25	2.3	4.1	15.1

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1986 High	1986 Low	Stock	Closing Price £	+ or −
§97.947	£25	17/9	27¾	25⅞	Bankers Inv. Tst. 10½% Deb. 2016	26¼	+½
§99.256	£30	29/8	30⅛	26½	Brit. Alcan Aluminium 10⅞% Deb. 2011	27⅞	+⅛
§94.203	£25	31/10	25¼	22¾	Brixton Est. 9.5% 1st Mort Deb 2026	23½	+½
§100p	F.P.	15/8	107p	105p	Business Mortages Tst. 8.6%Cnv Prf.	106p	......
109.89	£40	29/8	40	36½	Estates & Gen. 11¼% 1st Deb. 2018	36¼	......
§94.45	£30	31/10	32⅛	28	European Inv. Bank 9%Ln 2001	29	+⅞
‖	F.P.	29/8	115p	102p	‡Ferguson 12% Cnv Uns Ln 1992-97	110p	......
96.114	£25	24/10	27⅞	24¾	Globe Inv. 10% Deb. 2016	25¼	+½
§99.054	£40	12/9	41⅞	39⅜	Govett Strat. Inv. Tst. 10½% Deb. 2016	40¼	+½
97.963	£25	24/10	25¼	19	Gt. Portland 9½% 1st. Mort. Deb. 2016	20	+½
—	—	—	29	28½	JF Pacific Warrant S. A. Pref.	28½	−¼
105.523	£25	21/8	26	18	Land Securities 10% 1st. Mort. Deb.25	19	+¼
§99.793	£25	24/9	24⅝	20¾	Lon. Shop Prop. 10% 1st. Mort. Deb. 2026	21½	+½
¶¶	F.P.	—	101	95	Mercury Intl. 7⅛% Cnv Pref.	95	......
‖	F.P.	—	136p	136p	Morgan Grenfell 11¼% Cum Prf.	136p	......
—	F.P.	—	100	99	Nationwide 9[illegible]% 6/7/87	99⅝	......
—	F.P.	—	100¼	99⅞	Do. 10⅛% 27/7/87	99[illegible]	......
§99.937	£25	24/10	25¼	23⅞	Do 3⅞% IL Ln. 2021	24	......
¶100	£10	2/9	9	8	Newcastle & Gats. Wtr. 7% Red. Prf. 94/6	8	......
¶¶	F.P.	—	106	104	Rea Bros. 8.6% Cnv Prf	106	......
§105	£50	10/10	46	43	Smith New Court 12pc Uns. Ln. 2001‡‡	43	−¼
—	F.P.	—	110	107	Wight C'ns Cv. Cm. Rd. Prf. 1999 10p	109	......
100	£50	12/9	50¾	46	Witan Inv. 8½% Deb 2016	46¾	+½

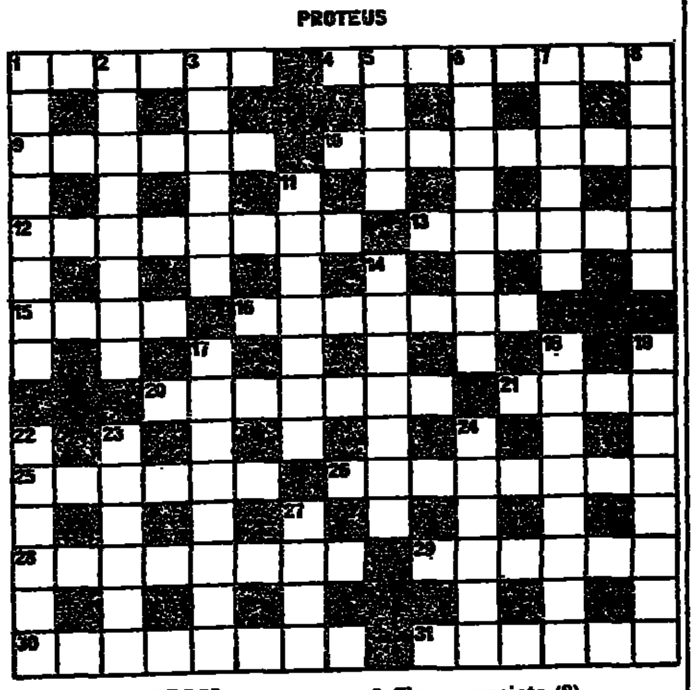
"RIGHTS" OFFERS

Issue Price	Amount Paid up	Latest Renunc. Date	1986 High	1986 Low	Stock	Closing Price p	+ or −
49	F.P.	29/8	85	66	Abaco Invs. 5p	74pm	......
12	Nil	—	1¼pm	1pm	Barker & Dobson 1p	1¼pm	......
250	F.P.	12/9	280	243	Bowater Industries 12½p	262	+12
170	Nil	2/9	23pm	16pm	Coloroll 10p.	20pm	......
145	Nil	20/8	40pm	26pm	Dataserv. Inc. 5c.	26pm	−1
130	F.P.	14/8	146	132	Erskine House	140	+2
165	Nil	28/8	20pm	3pm	Expamet Intl.	3pm	−1
5	Nil	—	16pm	12pm	‡Holman 5p	16pm	+2½
215	F.P.	15/8	278	225	Intl. Signal & Control 10c	233	+8
330	Nil	26/9	77pm	77pm	London United 20p.	77pm	......
200	Nil	29/8	23pm	10pm	‡Meadow Farm Prod. 10p	15pm	......
120	Nil	19/9	23pm	17pm	Medminster 10p	23pm	......
£14	Nil	12/9	245pm	220pm	Priest Marians £1	245pm	......
44	Nil	28/8	6pm	1½pm	‡Sheraton Secs. 10p	3½pm	−1½
125	Nil	24/9	15pm	11pm	‡Tod 5p	15pm	......
90	Nil	17/9	2½pm	1pm	Top Value Inds. 10p	2pm	......
38	Nil	28/8	2½pm	¼pm	‡Yelverton Invs. 5p	½pm	+¼
41	Nil	29/8	35pm	22pm	‡York Mount	23pm	+1

Renunciation date usually last day for dealing free of stamp duty. a Annualised dividend. b Figures based on prospectus estimates. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. F Forecast dividend cover on earnings updated by latest interim statement. H Dividend and Yield based on prospectus or other official estimates for 1987. L Estimated annualised dividend, cover and p/e based on latest annual earnings. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. t Indicated dividends; cover relates to previous dividend; p/e ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ‖‖ Introduction. ** Issued by way of capitalisation. § Placing price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ‖‖ Allotment price. ‡ Unlisted securities market. †† Official London listing. ‡‡ Including warrants entitlement.

F.T. CROSSWORD PUZZLE No. 6087

PROTEUS



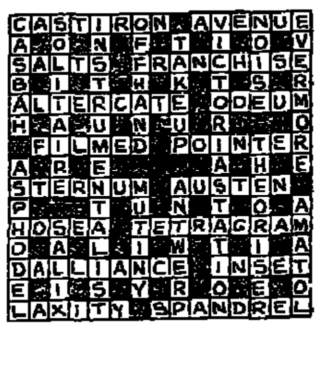
ACROSS

1 Instrument used by swindler? (6)
4 Set out with one companion at rough calculation (8)
9 Wave from a bird (6)
10 Draw together in agreement (8)
12 Impoverished by urge to throw bread around (8)
13 What child did to create an effect? (6)
15 Wine gaining some overseas title (4)
16 Lot includes set of tackle for ship (7)
20 Instrument for singer with nothing on (7)
21 Mental agitation at return of certain Tories (4)
25 Fashionable attempt to encompass object (6)
26 Twist net over fish (8)
28 Given public relations video production by head of drama (8)
29 Firm at this point has to be consistent (6)
30 Ruin caused by busy mole in vessel (8)
31 When wagers go out on animals (6)

DOWN

1 Warning shout by animal ancestor (8)
2 Give someone else the job of deputy (8)
3 Something that may be made up in a general fashion (6)
5 Cease picking up lots of money (4)
6 Close associate (8)
7 Incarnation of girl-sailor (6)
8 Best at estimating proportion of total possessions (6)
11 Change gear in order to obtain relief? (7)
14 One reason for being stuck in the mud perhaps (7)
17 Chap having to exercise animal (8)
18 Giddiness that causes confusion (8)
19 Defenders of sad person aboard ship (8)
22 Showing lack of judgment over place in the underworld (6)
23 Soldier getting bench to make amendment (6)
24 A novice with blood coming out in abundance (6)
27 Disorder in eating-place (4)

SOLUTION TO PUZZLE No. 6,086



FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

AUTHORISED UNIT TRUSTS & INSURANCES

Wardley Unit Trust Managers Ltd (a)
Wardley House, 7 Devonshire Sq, EC2 — 01-929 1532

American Tst.	62.6	67.4	-1.0	1.7
Far East & Gn. Tst.	104.2	110.9	-0.4	0.9
Int. Growth Tst.	68.2	72.6	-0.4	0.7
Income Tst.	82.9	89.2	+0.5	5.6
Japan Growth Tst.	126.0	135.5	-0.8	0.2
Small Cos. Tst.	109.2	117.5	+0.5	2.0
Tchnlgy. Tst.	33.0	35.4	-0.4	0.2
Australian Trust	35.0	37.6	-0.1	2.1
UK Trust	127.4	135.6	+1.1	2.7
European Growth Tst	50.7	54.0	-0.5	1.1
Hong Kong Tst	22.8	24.3	-0.2	1.6

Waverley Asset Management Ltd (a) (c) (g)
13 Charlotte Sq, Edinburgh — 031-225 1551

Australasian Gold	16.1	17.2	+0.2	0.15
Pacific Basin	12.9	13.7	-0.1	0.2
Canadian Balncd Growth	56.1	59.9	-0.5	0.98
Glenie Nae	101.0	105.2	-0.5	7.3

WestAvon Unit Trust Managers Ltd(a)(c)
9 Portland Square, Bristol BS2 8SS — 0272 428431

British Smllr Co's (z)	56.0	57.6	-0.2	1.50
British Growth (z)	65.9	67.8	+0.1	2.00
British Income (z)	64.3	66.1	....	5.00
British Extra Yield(z)	60.7	52.1	+0.2	7.00

Whittingdale Unit Trust Managers
2 Honey Lane, London EC2V 8BT — 01-606 9085/6

Short Dtd Gilt Fd	67.6	68.7	+0.1	0.00
U.S. Govmnt Bond F	50 505	0.508	...	—

Windsor Trust Mngrs Ltd
83 Kingsway, London, WC2B 6SD — 01-405 8331

Capital & Equity Tst	47.3	50.4	+0.1	7.87
Growth Trust	50.1	53.3	+0.4	2.29
Income Trust	52.4	55.8	+0.2	5.25

Wright Seligman Fund Managers Ltd
11 Blomfield St, London EC2M 7AY — 01-588 0992

Growth Fund	67.1	70.6	...	2.97

Weekly dealing day Tuesday

The Yorkshire General Trust
Woodsome Pk, Fenay Bdge, Huddersfield — 0484 602250

Y.G.T.	122.0	129.8	+0.8	3.50

INSURANCES

AA Friendly Society
(Investment Mngr M & G Inv Mngt Ltd)
PO Box 93 Cardiff CF1 4NW — 0222 35542

AA Friendly Sy July 11	—	107.4	—	—

Abbey Life Assurance Co Ltd
80 Holdenhurst Road, Bournemouth — 0202 292373

Prop. Ser. 1	206.1	217.0	+0.3	—
Equity Ser. 1	98.8	104.0	+1.4	—
Prop. Acc. Ser 2	277.4	292.0	+0.4	—
Equity Ser 2	107.4	113.1	+1.6	—
Selective Acc.	233.5	245.8	+1.9	—
Prop. Ser. 4	218.9	230.5	+0.3	—
Equity Ser. 4	111.2	117.1	+1.4	—
Fixed Int. Ser. 4	189.9	199.9	+1.5	—
Indexed Inv. Ser 4	114.1	120.2	+0.2	—
American Ser. 4	249.2	262.4	-1.5	—
High Inc. Ser. 4	281.0	295.8	+1.2	—
Japan Ser 4	247.3	260.4	-0.3	—
Man. Ser 4	348.5	366.9	+1.6	—
Money Ser. 4	194.5	204.8	+0.2	—
European Ser 4	115.2	121.3	-0.1	—
Pension Funds				
Property	355.3	374.1	+0.7	—
Equity	745.4	784.7	+10.1	—
Selective	246.4	259.4	+2.0	—
Managed	611.1	643.3	+2.8	—
Security	335.0	352.7	+0.7	—
Fixed Int.	202.1	212.8	+1.5	—
European	180.9	190.5	-0.3	—
American	206.0	216.9	-1.6	—
Japan	259.0	272.7	-0.4	—

Aetna Life Insurance Co Ltd
401 St John St, London EC1V 4QE — 01-833 2303

Life Funds (Accumulator Units)

Squirrel	10.58	11.14	—	—
Bear	11.16	11.75	+0.02	—
Owl	11.42	12.03	+0.11	—
Bull	12.98	13.67	-0.07	—
Stag	12.62	13.29	—	—
Gilt-Edged		11.15	+0.05	—
Deposit		9.72	—	—

Cannon Assurance Ltd—Continued

Index	110.4	116.8	-2.6	—
Far East	179.2	189.6	-0.9	—
Global	94.8	100.3	-0.3	—
European	97.8	103.5	-2.0	—
Japan	110.4	116.8		—
2nd Series Pension Accumulation				
Equity	474.4	502.0	-0.5	—
High Income	313.5	331.7	+0.1	—
Property	281.1	297.5		—
Managed	333.8	353.2	-1.0	—
Deposit	250.7	265.3	...	—
Gilt	253.7	268.5	+1.5	—
American	375.9	397.8	-5.4	—
International Money	274.0	289.9	-1.3	—
Index	120.7	127.7		—
Far East	194.8	206.1	-3.0	—
Global	94.9	100.4	-1.0	—
European	98.7	104.4	-0.7	—
Japan	114.5	121.2	-2.5	—
Other Funds				
Equity Units		64.51	-0.09	—
Property Units		21.33		—
Equity Bond/Exec	40.37	42.72	-0.05	—
Property Bond/Exec	28.77	30.44		—
Balanced Bond/Exec	33.04	34.96	-0.09	—
L&E SIF 1	108.5	114.5	-0.5	—
L&E SIF 2	71.0	75.0	-	—

City of Edinburgh Life Assurance
46 Charlotte Sq, Edinburgh EH2 4HQ — 031-225 1655

Ivory & Sime Bond	100.0	106.0	..	—
Risk & Reward Bond	117.0	124.0	....	—
Murray Johnstone Fd	116.0	123.0	..	—
Money Market Fd	100.0	106.0	.	—
Ivory & Sime Pens Fd	96.0	102.0	.	—
Risk & Reward Pens Fd	99.0	105.0	.	—
Murray J'stone Pens Fd	114.0	120.0	..	—
Money Market Pens Fd	100.0	106.0	.	—

City of Westminster Assurance
Sentry House, 500 Avebury Boulevard, Cent Milton Keynes MK9 2LA — Tel: 0908 606101/660888

General Series

Property Fund	113.9	119.9		—
Money Fund	220.1	231.7	+0.1	—
Managed Fund	400.2	421.3	-2.6	—

INSURANCE, OVERSEAS & MONEY FUNDS

Skandia Life Assurance Co Ltd—Cont

Skandia Henderson Funds

Special Situations	126.8	133.4	+0.3	—
Recovery	120.7	127.3	-0.4	—
Capital Growth	125.9	132.3	-0.2	—
Income and Assets	125.9	132.0	-0.3	—
Income and Growth	151.2	159.1	-0.5	—
High Income	147.8	155.5	-0.5	—
Extra Income	136.0	143.1	-0.6	—
Smaller Co. Growth	141.9	149.3	-0.3	—
Preference and Gilt	108.3	114.0	—	—
Gilt Trust	108.1	113.7	+0.4	—
Gold Trust	80.3	84.5	+1.9	—
Fixed Interest	105.4	110.9	+0.2	—
Financial	147.3	155.0	-0.8	—
Global Resources Tst	92.5	96.8	-0.3	—
Global Healthcare	125.4	131.9	-2.5	—
Global Inc & Growth	109.7	115.4	-0.8	—
Global Technology	100.7	106.0	-1.1	—
International	130.5	137.3	-0.3	—
Australian	65.3	68.7	+0.6	—
European	164.5	173.1	+2.7	—
European Sm. Cos.	156.7	164.9	+0.8	—
Hong Kong	100.7	105.9	-0.1	—
Japan Trust	[illegible]	150.1	-3.3	—
Japan Special Sits.	156.4	175.1	-2.9	—
Pacific Smaller Co.	136.5	143.6	-0.7	—
Singapore and Malaysia	62.3	65.7	+1.5	—
North American	104.7	110.2	-1.6	—
American Smaller Co.	108.2	113.8	-2.1	—
American Recovery	115.5	121.5	-3.7	—
Managed	136.3	144.0	-1.0	—

Skandia Oppenheimer Funds

American Growth	89.0	93.6	-1.9	—
European Growth	90.4	94.3	-0.1	—
High Income	97.2	102.3	-0.8	—
Income & Growth	90.5	95.3	-0.9	—
International Growth	[illegible]	101.3	-0.8	—
Japan Growth	102.9	108.3	[illegible]	—
Pacific Growth	105.8	111.3	-0.8	—
UK Growth	93.5	98.3	-0.4	—
Worldwide Recovery	95.2	100.2	-0.3	—
Managed	97.4	102.5	-0.2	—

Skandia Perpetual Funds

American Growth	92.8	97.6	-3.4	—
European Growth	90.0	94.7	—	—
Far East Growth	103.3	108.7	-0.7	—
Income	91.2	96.0	-0.3	—
Intl Emerging Cos	91.5	96.3	-0.8	—
Intl Growth	96.3	101.3	-0.1	—
Worldwide Recovery	90.2	94.9	-0.7	—
Managed	96.4	101.4	-1.1	—

Skandia TSB Managed Funds

TSB American	116.4	122.5	-1.6	—

UK Provident

UK House, Castle St, Salisbury SP1 3SH 0722 336242

Managed	103.6	109.1	+0.4	—
Property	97.5	102.7	—	—
UK Equity	101.8	107.2	+0.7	—
UK Fixed Interest	101.6	107.0	+0.3	—
Deposit	98.6	103.9	+0.1	—
Index Linked	97.8	103.2	+0.2	—
North American	104.0	109.5	-0.5	—
Pacific Basin	135.0	[illegible]	+0.4	—
Pens Managed	107.7	113.4	+0.6	—
Pens Property	101.0	106.4	+0.1	—
Pens UK Equity	105.2	110.8	+1.1	—
Pens UK Fixed Interest	[illegible]	110.4	+0.5	—
Pens Deposit	[illegible]	106.0	—	—
Pens Index Linked	96.6	101.7	+0.2	—
Pens North American	106.7	112.4	-0.8	—
Pens Pacific Basin	153.9	162.0	+0.8	—

Vanbrugh Life Assurance

Portland Hse., Stag Place, Ldn.SW1E 5BH 01-922 8247

Managed Fd. (z)	415.0	436.9	+1.4	—
Equity Fd. (z)	788.5	830.1	+7.6	—
Intnl. Fd. (z)	[illegible]	340.3	-3.9	—
Fixed Int. Fd. (z)	337.9	355.7	+1.3	—
Prop. Fd. (z)	261.9	274.9	+0.1	—
Cash Fd. (z)	[illegible]	225.3	+0.1	—
Pacific Basin Fd. (z)	145.6	153.3	-0.7	—
North American Fd. (z)	126.2	133.4	-1.9	—
European Fd. (z)	188.6	198.6	-3.1	—

Vanbrugh Pension Limited

Portland Hse., Stag Place, Ldn., SW1E 5BH 01-922 8247

Managed	406.4	427.8	+1.5	—
Equity	554.7	583.7	+3.3	—
Global Equity	192.1	202.3	-2.4	—
Fixed Interest	324.3	341.9	+1.5	—
Property	231.2	243.4	—	—
Cash	114.9	121.0	+0.1	—
Index Linked Gilt	135.9	143.1	—	—
Guaranteed		9.18		—
International Money	174.2	183.4	+0.1	—

Windsor Life Assur Co Ltd

Royal Albert House, Sheet St, Windsor 868144

Investor Units	219.3	231.4	—	—
Initial Pen. Units	307.2	321.4	—	—
Accum. Pen. Units	417.5	439.6	—	—
Flex. Inv. Growth	237.3	249.8	—	—
N. Amer. Fund	225.6	237.5	—	—
Fut.Ass.Gth.	186.0(b)	240.0(a)	—	—
Ret. Ass. Pen.		94.95	—	—
Far East Fd.	211.3	222.4	—	—

MANAGEMENT SERVICES

OFFSHORE AND OVERSEAS

World Bond Fund NAV 14.5098

Inv. Adv. Mercury Warburg Inv. Mngmt, London

World Fund S.A.

2 Boulevard Royal, Luxembourg

World Fund NAV	$18.03		-0.03	—

World Wide Growth Management♦

10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd.	$16.09		—	—

Inv. Adv.: M. & G. Inv. Mngt. Ltd, London

Yamaichi Dynamic Mngt Co SA

10A Boulevard Royal, Luxembourg

Advanced Tech	$18.70		-0.02	—
Dynamic Gwth Fd.	$20.08		+0.06	—

Zero Bond Fund Limited

PO Box 203, St Peter Port, Guernsey 0481 26268

Zero Bond Fund	$11.86	12.53	-0.06	—

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Charities Deposit Fund				
2 Fore Street, London EC2Y 5AQ 01-588 1815				
Deposit	9.45	—	—	3-Mth
The Money Market Trust				
63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fund	9.50	7.23	10.35	6mth
7-day Fnd	9.44	7.06	10.29	6mth
Oppenheimer Money Management Ltd				
66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	9.42	7.04	10.08	6-Mth
7-day Fund	9.58	7.16	10.27	6-Mth
Dollar	5.25	—	—	6-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Adam & Co. plc				
22 Charlotte Sq, Edinburgh EH2 4DF 031-225 8484				
Full Service Cur Acc.	9.25	6.85	9.62	Qtr
Aitken Hume				
30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	9.25	6.91	9.99	Qtr
Mth. Int. Chq.	9.25	6.91	10.04	Mth
Allied Arab Bank Ltd				
97-101 Cannon St, London, EC4N 5AD 01-283 9111				
High Int. Cheque Acc	10.125	7.59	11.04	Mth
Bank of Scotland				
38 Threadneedle St, EC2P 2EH. 01-628 8060				
Money Mkt Cheque Acc	9.30	6.95	10.11	Mth
Barclays Prime Account				
PO Box 125, Northampton 0604 252891				
High Int. Cheque	9.50	7.00	10.12	Qtr
Benchmark Trust Ltd				
9 Henrietta Place. W1M 9AG. 01-631 3313				
Cap Chq Deposit Acc	10.00	7.49	10.88	Mth
Charterhouse Bank Limited				
1 Paternoster Row, EC4M 7DH. 01-248 4000				
Sterling	9.625	7.19	10.47	Mth
U.S. Dollar	5.87	4.39	6.31	Mth
German Marks	4.0	2.99	4.27	Mth
Swiss Francs	1.50	1.12	1.59	Mth
Japanese Yen	4.50	3.36	4.81	Mth
Citibank Savings				
St Martins Hse, Hammersmith Grove 01-741 4941				
Money Market Plus	£5,000+	7.50	10.93	Mth
For other rates please 'phone our Rateline 01-846 9768				
Co-operative Bank Cheque & Save				
78-80 Cornhill EC3 01-626 6543				
£500-£2,500	6.69	5.00	7.18	Qtr
£2,500 +	9.36	7.00	10.12	Qtr
Dartington & Co Ltd				
Dartington, Totnes, Devon TQ9 6JE 0803 862271				
Money Mkt Acc	9.50	7.10	10.30	Qtr
Henderson/Bank of Scotland				
38 Threadneedle St EC2P 2EH 01-628 8060				
Money Mkt. Cheque Acc.	9.30	6.95	10.11	Mth
Legal & General (Money Mngrs) Ltd				
355 Euston Road, NW1 3AG 01-388 3211				
High Int Dep Acc	9.70	7.25	10.39	6-mth
Lloyds Bank PLC				
71 Lombard St, London EC3P 3BS 01-626 1500				
HighIntCheque Account	9.00	7.20	10.42	Qtr
Lombard North Central PLC				
17 Bruton St, W1A 3DH 01-409 3434				
14-Day Notice	9.00	6.72	9.46	—
M & G/Kleinwort Benson				
M & G Hse., Victoria Rd., Chelmsford 0245 266266				
H.I.C.A. (£2,500+)	9.31	6.96	10.12	Daily
Midland Bank plc				
PO Box 2, Sheffield. 0742 20999 Ext 8655				
High Int Chq Acc	9.03	6.75	9.51	Qtr
£10,000 +	9.36	7.00	9.86	Qtr
M.I.M. Britannia Ltd				
74-78 Finsbury Pavement, EC2A 1JD 01-588 2777				
Cater Allen	9.50	7.10	10.33	—
NatWest Special Reserve Account				
41 Lothbury, London, EC2P 2BP 01-256 9933				
£2,000 to £9,999	9.25	6.875	9.94	Qtr
£10,000 and above	9.375	7.00	10.12	Qtr
Oppenheimer Money Mgmnt Ltd				
66 Cannon St, EC4N 6AE 01-236 1425				
Money Mngt. Acct	9.125	—	—	3-Mth
Phillips & Drew Trust Ltd				
120 Moorgate, London EC2M 6XP 01-628 9771				
High Int Chq Acc	9.50	7.10	10.27	Qtr
Provincial Trust				
30 Ashley Rd, Altrincham, Cheshire 061-928 9011				
High Int Chq Acc	10.25	7.46	11.17	Mth
Royal Bank of Scotland plc				
42 St Andrew Sq, Edinburgh EH2 2YE. 031-557 0201				
Premium Account	9.50	7.10	10.27	Qtr
Save & Prosper/Robert Fleming				
28 Western Rd, Romford RM1 3LB. 0708 66966				
H.I.B.A.	9.10	6.80	9.91	Daily
Tyndall & Co				
29-33 Princess Victoria St, Bristol 0272 732241				
Demand Acc	9.46	7.07	10.22	Qtr
Money Acc	9.36	7.00	10.11	Qtr
J. Henry Schroder Wagg & Co Ltd				
Enterprise House, Portsmouth 0705 827733				
Special Acc	9.00	6.73	9.77	Mth
Over £10,000	9.25	6.91	10.04	Mth
Western Trust & Savings Limited				
The Moneycentre, Plymouth PL1 1SE 0752 224141				
High Int Chq Acc	9.87	7.27	10.66	Qtr
Wimbledon & South West Finance Co Ltd				
114 Newgate St, London EC1A 7AE. 01-606 9485				
High Int Cheque Acc	11.00	8.22	—	Qtr.

NOTES—Gross: rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ⊕ Yield column shows annualised rates of NAV increase. xd ex dividend.

TRADITIONAL OPTIONS

3-month call rates

Industrials	p		
Allied-Lyons	30	NEI	11
Amstrad	23	Nat West Bk	48
BAT	35	P & O Dfd	45
BOC Grp	28	Plessey	18
BSR	11	Polly Peck	16
BTR	28	Racal Elect	16
Babcock	17	RHM	28
Barclays	45	Rank Org Ord	45
Beecham	40	Reed Intnl	75
Blue Circle	55	STC	16
Boots	22	Sears	12
Bowaters	30	TI	42
Brit Aerospace	45	Tesco	32
Brit. Telecom	17	Thorn EMI	40
Burton Ord	28	Trust Houses	15
Cadburys	17	Turner Newall	18
Charter Cons.	22	Unilever	120
Comm Union	28	Vickers	40
Courtaulds	26	Wellcome	17
FNFC	17	**Property**	
Gen Accident	75	Brit Land	16
Gen Electric	17	Land Secs	30
Glaxo	85	MEPC	32
Grand Met	34	Peachey	24
GUS 'A'	85	Samuel Props	25
Guardian	75	**Oils**	
GKN	32	Brit. Oil & Min	2½
Hanson Tst.	16	Brit Petroleum	48
Hawker Sidd	48	Burmah Oil	30
ICI	55	Charterhall	4
Jaguar	38	Premier	3½
Ladbroke	32	Shell	55
Legal & Gen	24	Tricentrol	12
Lex Service	28	Ultramar	18
Lloyds Bank	38	**Mines**	
Lucas Inds	52	Cons Gold	40
Marks & Spencer	18	Lonrho	24
Midland Bk	44	Rio T Zinc	50
Morgan Grenfell	30		

A selection of Options traded is given on the London Stock Exchange Report Page.

COMMODITIES AND AGRICULTURE

Soviets seek stricter export terms

THE Soviet Union has imposed stricter terms on all new commodity purchase agreements with other countries, raising fears among US exporters of reduced agricultural trade with Moscow, trade sources told Reuters yesterday.

Last Friday the Soviet grain importing agency Exportkhleb informed exporters throughout the world by telegramme that more stringent conditions would be applied to all agricultural sales contracts with the USSR.

I have a tough time imagining people anywhere agreeing to those terms. If anything, it will cause a slowdown in trading with the Soviets," an exporter for a large multinational grain company said.

Under the new terms, applicable to commodity shipments from all origins, the Soviets will pay only 95 per cent of the purchase price before shipment, then pay the remaining 5 per cent within seven days after unloading in the USSR. Also, the Soviets want to be able to make deductions from that 5 per cent for in-transit damage.

Another term now requested by the USSR is the option to return any shipment to the seller, at the seller's expense, if the shipment does not meet specified contract requirements upon arrival.

Finally, the USSR has requested that a Soviet official be present at export elevators to monitor the loading of Soviet-bound vessels and that this representative be permitted to stop loading procedures if deemed necessary.

These terms contrast with the traditional "certificate final" arrangement in all US export transactions in which a certificate is issued to the buyer by the US Department of Agriculture when the grain is loaded into the ship. At that point, the seller stops being liable for any damage or loss of quality occurring during transit

US generic certificates plan

The US Agriculture department could soon release $1bn worth of "generic" payment in-kind commodity certificates to farmers under a plan currently being studied, a senior USDA official said.

The plan would issue generic certificate payments to farmers that would be equal to 10 per cent of their total 1985 deficiency payment and would involve wheat, "feedgrains, rice and cotton.

The plan is just one option prepared by USDA economic analysis staff that would enable the release of more commodity certificates on to the market.

Wheat sales campaign

The Australian Wheat Board is planning an aggressive marketing campaign for the still growing 1986-87 crop, Mr Clinton Condon, AWB chairman, said.

"Recent (export) figures indicated we have the skills to market record tonnages of wheat despite the tough international conditions," he said.

Iceland to resume whaling

THE Prime Minister of Iceland, Mr Steingrimur Hermannsson, has said that Iceland will definitely resume whaling for scientific purposes on August 20, and accused the US of interfering in Icelandic trade matters.

Mr Hermannsson said last week his North Atlantic island nation would halt whaling for 3½ weeks until August 20 in an attempt to rekindle conservation talks with the US and stave off a threatened US embargo of its fish products.

The US State Department has expressed concern to Iceland that whaling operations off Iceland's coast may be violating International Whaling Commission guidelines.

LCE traders win cheaper clearing house deal

BY ANDREW GOWERS

CLEARING COSTS for many members of the London Commodity Exchange (LCE) are set to fall by up to 50 per cent from October 1 under a new deal with the International Commodities Clearing House (ICCH).

Under pressure from trading members of the LCE, the ICCH has agreed to simplify its charges and to lower the cost of its basic service to bring it in line with prices charged to users of the London International Financial Futures Exchange (Liffe). The result will help to bolster profits of LCE members, which have in some cases been battered by the general recession in commodity trading, and to improve the competitive position of London as a trading centre for soft commodities.

The LCE trades, cocoa, coffee and sugar futures. The ICCH, majority-owned by British clearing banks, provides clearing services to Liffe, the LCE and to a number of exchanges elsewhere and is negotiating to do the same for the London Metal Exchange.

Under the new deal, trading companies which want to receive only the ICCH's basic service will pay only for that, while companies wanting additional data processing facilities will pay extra. This compares with the present system, under which all members pay for a full package of services.

The change has come as a special relief to big trading and commission houses which have their own sophisticated computer services. One major commission house estimated that its annual profits in the London market could be boosted by £150,000.

"The overall result will be a halving of costs for the basic service," said Mr Ian McGaw, ICCH chief executive.

LME likely to revise trading plan

BY STEFAN WAGSTYL

THE LONDON Metal Exchange is likely to revise its plans for a new scheme of trading dates to be brought into effect when the market adopts a clearing house system next year.

The LME authorities initially proposed that their six metals contracts would have separate delivery dates for every day of the first three months from the day a transaction is struck and for every week of the following 12 months.

Many traders believed that customers would want the flexibility of having so many delivery dates offered. However, fears about the complexity of handling so many dates and about the risk of spreading the available custom too thinly seems to have persuaded the exchange that fewer trading dates are required.

The exchange authorities now appear likely to support a scheme for separate trading dates for three months followed by monthly contracts thereafter for 12 months.

At present the exchange trades daily contracts for up to three months only but traders write contracts for longer-terms on their own account. The proposed changes are needed to adapt the exchange's trading methods to the requirements of a clearing house system which is planned to replace the present market in which traders deal directly with each other as principals.

The proposed reforms are designed to modernise the exchange following the losses suffered in the tin market crisis and demands from the British Government for tighter regulation in the City of London. The measures are currently being discussed by the LME Board and committee and the Securities and Investments Board, the City watchdog which is being set up under the Financial Services Bill, and the International Commodities Clearing House, the clearing services company which has been commissioned to install and run the LME's proposed clearing house.

Meanwhile, the threat of legal action arising from the tin crisis still hangs over the exchange. Seven members of the LME's committee, which runs the exchange jointly with the LME Board, have started third party legal proceedings against LME member companies. These actions are designed to cover the committee members against the possibility of defeat in the actions they are defending from Shearson Lehman Brothers, the trading company which has challenged the LME's decision to end the crisis with a fixed-price settlement. The LME Board which faces a similar suit from Shearson has not started third party proceedings.

The LME yesterday issued a statement confirming that a management consultants' report on the exchange prepared by accountants Price Waterhouse contained a recommendation that the LME should investigate "the possible economics" of taking space in Commodity Quay, the City office block which is being fitted out for the London Commodity Exchange, the cocoa, coffee and sugar market. Mr Jacques Lion, the LME chairman, said that the LME was not considering linking with any other market.

EEC and Norway in fish zone row

BY TIM DICKSON IN BRUSSELS

THE EUROPEAN Community is involved in a new fishing row with Norway.

Officials in Brussels said yesterday that the Norwegian Government has formally notified the EEC Commission of a new 18,500 tonnes limit on catches of cod in an area off the coast of Spitzbergen frequented by Spanish and Portuguese vessels. The zone has been the subject of a long-running dispute between Norway and the Soviet Union.

The Commission says it disputes what it sees as a "unilateral" move which will discriminate against the Community fleet. It has proposed a meeting between experts of both sides to find a solution.

The incident is the latest example of the complications for fisheries policy posed by this year's enlargement of the EEC. Earlier in the summer the French Basque port of Hendaye was blockaded by more than 200 Spanish vessels anxious to have greater access to a newly designated French fishing zone. Tempers were cooled after conciliation channels were opened by the Commission. But the problem has still not been resolved.

In another row about the same time a Spanish trawler alleged to have been fishing inside Canada's 200-mile economic zone was chased by a Canadian fisheries protection vessel half way across the Atlantic and forced to return to Newfoundland.

The addition of the Spanish and the Portuguese fleets have more or less doubled EEC fishing capacity and in the process created new headaches for the Commission.

The Community has a bilateral fishing agreement with Norway but the Norwegians are understood to be demanding an exclusive right to fish in the disputed zone. Their authorities have already barred the entry of a Portuguese boat, though most of the vessels in the area are Spanish.

The Commission says that while objecting to Norway's action it is nevertheless willing to seek ways in which the stocks in the zone can be conserved.

MMB milk quota warning

By ANDREW GOWERS

EEC MILK production quotas are here to stay for the foreseeable future, and there may need to be another 5 per cent cut in output even after the 3 per cent reduction currently in progress, Sir Steve Roberts, chairman of the Milk Marketing Board of England and Wales, said yesterday.

Speaking to the press in a gloomy vein before the MMB's annual meeting in London, Sir Steve said:

"Anyone who thinks quotas are going to disappear in the next five to seven years is living in a fool's paradise ... We may need another 5 per cent (reduction) after the current 3 per cent to get anywhere near a reasonable balance between supply and demand."

Sir Steve was a bitter opponent of quotas before they were introduced in 1984, and they have always been officially described as a "temporary" measure to restrain milk production. But his remarks yesterday indicated the extent to which quotas have become entrenched—and to which many farmers have been content to adapt to them.

His comments also come at a time when the European Commission is expressing increasing concern about renewed growth in the EEC dairy surplus. Contributing to this, British production is running well ahead of quota. Both the MMB and Britain's independent dairy companies are aware that further cutbacks in production could further expose the excess capacity in the manufacturing side of the industry.

Sir Steve spoke out against any changes in the system under which quotas can be transferred from one region of a country to another, as is reported to be under consideration in Brussels.

He also spoke repeatedly about the threat posed to British dairy farmers by liquid milk imports from other EEC countries.

"Already overseas competitors are looking seriously at our liquid market, and pasteurised milk imports will be permitted no later than January 1 1989. Now is the time to face up to this import threat," he said.

Diamond output ahead of plan at Argyle mine

By Kenneth Marston, Mining Editor

DIAMOND production at the big Argyle mine in Western Australia was running at above the planned annual rate of 25m carats in the second quarter of this year. It amounted to 7.03m carats to make a total for the first half of the year of 13.3m carats.

Last year output totalled only 7.06m carats, but mining was still confined to the alluvial deposits which had been worked since the beginning of 1983. This operation was phased out in December last year when the major operation commenced at the big AK-1 diamond pipe, the world's biggest diamond mine.

Argyle has huge reserves at the AK-1 mine which will provide a mining life of at least 20 years and probably much longer. It will increase world annual diamond production by some 40 per cent in terms of volume but only by about 4 per cent in value

Portuguese agriculture in race against time

BY DIANA SMITH IN LISBON

THE PORTUGUESE authorities are racing against the clock to adapt their creaking farm structures to the EEC's Common Agricultural Policy so that by autumn Portuguese farmers can begin to benefit from the generous aid negotiated during talks on accession to the Community. Portuguese farming is the most backward in West Europe and a special ten year EEC programme worth 700m European currency units has been deviser to correct the worst defects, introduce new techniques and improve productivity.

Mr Alvaro Barreto, the Agriculture Minister, forecast yesterday that by 1987 the combination of EEC aid, government funds and private investment will pump the equivalent of $250m into Portuguese agriculture. By 1990 the figure should rise to annual equivalents of $500m or more, he said, while investment in fixed capital in farming is projected to soar from its present levels of about 4 per cent of agricultural gross added value, to 25 or 30 per cent.

Already nearly 150 farmers' projects have been submitted to Brussels. They cover fruit, vegetable or grain production, meat (slaughtering, which badly needs modern hygenic structures in Portugal) and improved milk and wine production.

Having negotiated exceptions to EEC freezes on investment in slaughterhouses because most of Portugal's slaughterhouses are in a parlous state, Portugal is now negotiating exceptions to the EEC rule against investment in milk or wine, on the argument that the idea is to improve quality not increase quantity.

Under the EEC programme for uprooting poor vines and recycling vineyards, Portugal will receive Ecu 73m. The community will bear up to 70 per cent of the cost of projects to recycle old vineyards, often located in mountainous or poor regions, that receive special EEC backing. According to Mr Barreto products now integrated into the Common Agricultural Policy like tomato concentrate, tobacco, vegetable oils and oil seeds and lamb will get EEC supports of about Ecu 55m.

Obstacles to speedy modernisation are the tiny average size of farms, the high average age of farmers (55 years) and the low level of literacy of the vast majority of small farmers in a country where 28 per cent of the active population theoretically lives off the land—and farmers' age-old resistance to new-fangled methods.

Mr Barreto said a major aim of aid negotiated with Brussels is a pension system for ageing farmers that would encourage them to leave farming to younger people prepared to operate new methods.

Another obstacle—the lack of technicians on the spot in rural areas to help farmers use aid, teach them how to present projects, and pass on information—is equally hard to solve in the short term. The Agriculture Ministry has 18,000 employees—more than the corps of Eurocrats in Brussels—but few are located in the provinces and can be easily trained in the complex demands of the Common Agricultural Policy.

With a Government freeze on hiring new civil servants it may be some time before the Herculean efforts by senior Ministry officials to negotiate a solid deal for Portuguese agriculture in the face of considerable opposition from both the richer and poorer EEC mebers, and to draw up mountains of new EEC-oriented legislation filter down to the average Portuguese farmer.

LONDON MARKETS

THE RECENT gentle uptrend in the London cocoa futures market was halted yesterday when the September position ended the day £15 down at £1,444.50 a tonne. The improved sentiment resulting from the successful renegotiation of the International Cocoa Agreement was still apparent but prices were pushed lower by belated hedge selling against recent Ghanaian sales and short selling on the prospect of renewed Ivory Coast sales. The gentle slide in coffee futures prices continued with the September quotation losing another £11 at £1,871.50 a tonne. Trading was a little more active than of late but prices remained in a fairly narrow range in view of uncertainty about the Brazilian crop situation. Sugar futures values were boosted by a strong market and a lower-than-expected export rebate level at the weekly EEC tender. In response the October futures position moved about $8 higher near the close.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	755-7	—2.5	754/755.5
3months	765-6	—2.75	767/760

Official closing (am): Cash 753-3.5 (764-4.5), three months 763-3.5 (774-4.5), settlement 753.5 (764.5). Final kerb close 763-4. Turnover: 18,300 tonnes.

COPPER

Grade A	Unoffic'l close	+ or —	High/low
Cash	886-6.5	+1.5	886.5/876
3 months	904-4.5	—	906/894

Official closing (am): Cash 874.5-5 (891.5-2), three months 884-4.5 (912-3), settlement 875 (892). Final kerb close: 903-4.

Standard			
Cash	856-60	—1	847-846
3 months	876-80	—2	868/867

Official closing (am): Cash 845.5-6 (863.5-4), three months 867-8 (886-7), settlement 846 (864). US producer prices 62-67 cents per lb. Total turnover: 25,700 tonnes.

LEAD

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	251-2	—5	250.5
3 months	256.5-7	—4.5	260/254

Official closing (am): Cash 250-50.5 (255-5.5), three months 255.5-6 (260-1), settlement 250.5 (255.5). Final kerb close: 255-5.5. Turnover: 7,050 tonnes. US spot: 21-24 cents per lb.

NICKEL

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	2630-5	+7.5	2634
3 months	2665-6	+3	2670/2655

Official closing (am): Cash 2620-30 (2665-7), three months 2655-60 (2700-5). settlement 2630 (2667). Final kerb close: 2660-2. Turnover: 168 tonnes.

TIN

KUALA LUMPUR TIN MARKET: Close 14.21 (14.19) ringgit per kg. 11p 0.02 ringgit per kg.

ZINC

High grade	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	534-5	—3.5	532
3 months	534.5-5	+0.38	536/531

Official closing (am): Cash 532-3 (540.5-1), three months 532.5-3 (539-40), settlement 533 (541). Final kerb close: 534-5. Turnover: 4,400 tonnes. US prime western: 41.50-44.75 cents per lb.

GOLD

Gold fell $½ to $351¾-352¼ on the London bullion market yesterday. It opened at $351¼-351¾, the low of the day, and was fixed at $351.35 in the morning and $351.65 in the afternoon. The metal touched a peak of $352-352½.

GOLD BULLION (fine ounce)	July 30	
Close	$351¾-352¼	(£236-236½)
Opening	$351¼-351¾	(£235-236½)
M'n'g fix	$351.35	(£236.174)
Aft'n'n fix	$351.65	(£236.165)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$351-355	(£235¾-237)
½ Krug	$183½-184½	(£123¼-124)
¼ Krug	$94-95	(£63-63¾)
1/10 Krug	$38¾-39¾	(£26-26½)
Mapleleaf	$361-366	(£242¼-245¾)
Angel	$359½-362½	(£241¼-243¼)
1/10 Angel	$38¼-39¼	(£24¼-26¼)
New Sov	$84-86	(£56½-57¾)
Old Sov	$88½-90	(£59½-60½)
$20 Eagle	$440-490	(£295½-329)
Noble Plat	$459¾-464¾	(£308½-312)

SILVER

Silver was fixed 5.55p an ounce lower for spot delivery on the London bullion market yesterday, at 332.70p. US cent equivalents of the fixing levels were: spot 497.75c, down 3.55c; three-month 505.55c, down 3.25c; six-month 513.40c, down 3.35c; and 12-month 528.55c, down 3.40c. The metal opened at 333-34½p (498-500c) and closed at 335-336½p (449-501c).

SILVER per troy oz	Bullion Fixing Price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	332.70p	—5.45	333.5p	—
3 months	340.60p	—5.4	341.5p	+8.25
6 months	348.60p	—5.30	—	—
12 months	364.60p	—5.85	—	—

LME—Turnover: 0 (30) lots of 10,000 oz.

Three months high/low 341, final kerb 341.2p.

MEAT

The average All Pigs price for the week ending July 26 is 96.14p per kg dw (down 0.11p).

Deadweight pig prices closed stronger due to short covering in good volume. Live cattle prices closed slightly firmer but without trading, reports Eastern Capital CCST.

Month	LIVE CATTLE Y'day's close	+ or —	LIVE PIGS Y'day's close	+ or —
Aug	98.00	—.30	98.00	—.30
Sept	98.80	—	—	—
Oct	99.80	+1.00	103.50	—.50
Nov	100.30	+.60	105.30	—
Jan	—	—	—	—
Feb	100.00	—	100.00	+.50

Cattle sales: 0 (0) lots of 5,000 kg. Pig sales: 9 (0) lots of 3,250 kg.

MEAT COMMISSION—Average fatstock prices at representative markets: GB—Cattle 95.54p per kg lw (—0.69): GB—Sheep 150.83p per kg est dcw (—14.90); GB—Pigs 75.78p per kg lw (+3.38).

INDICES

REUTERS

July 30	July 29	M'th ago	Year ago
1450.5	1457.8	1450.0	1686.9

(Base: September 18 1931=100)

DOW JONES

Dow Jones	July 30	July 29	M'th ago	Year ago
Spot	127.36	127.74	—	114.11
Fut	115.61	116.39	—	114.15

(Base: December 31 1931=100)

MAIN PRICE CHANGES

In tonnes unless otherwise stated.

	July 30 1986	+ or —	Month ago
METALS			
Aluminium			
Free Market	$1235/255	+15	$1240/280
Copper			
Cash Grade A	£886.25	+1.50	£937
3 mths	£904.25		£953.75
Gold Troy oz	$352	—0.5	$340.75
Lead Cash	£251.5	—5.0	£281.5
3 mths	£256.75	—4.5	£281.5
Nickel			
Free Mkt	177/187c	—1	186/206c
Palladium oz	$122.10	+10.05	$110.95
Platinum oz	$448.25	+0.25	$433.65
Quicksilver†	$170/185		$210/220
Silver troy oz	332.70p	—5.55	342.95p
3 mths	340.60p	—5.4	341.05p
Tin			
free mkt	£3880/390	—30	£3880/95
Tungsten	$54.42		$58.73
Wolfram 22.01b	$42/50		$42/50
Zinc	£534.5	—3.5	£536.5
3 mths	£534.75	+0.37	£539
producers	$840		$840
OILS			
Coconut (Phil)	$240w	—10	$260
Palm Malayan	$212.5z		$245
Copra (Phil)	$140y		$160
Soyabean (U.S.)	$168y		$156
GRAINS			
Barley Fut.Nov.	£106.00	+0.85	£98.45
Maize	£135		£134.5
Wheat Fut.Nov.	£106.20	+1.20	£99.05
No. 2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. Sept.	£1444.5	—15.0	£1279.5
Coffee Ft. Sept.	£1871.5	—11.0	£1821
Cotton A Ind.*	56.40c		40.30c
Gas Oil Sept.	$106.00	+9.00	$114
Rubber (kilo)	59.00p	—0.50	57.5p
Sugar (raw)	$151.50	—3.00	$144.5
Wooltops 64s	388p kilo		415pkilo

‡ Unquoted. † Per 75 lb flask. c Cents per pound. y July Aug. z Aug. w Aug-Sept. x Oct. * Cotton Outlook.

COCOA

Futures traded in a narrow range and ended a rather dull day near the lows. A similar lack of interest was seen in the physical market and with both producers and consumers withdrawn no business was apparent reports Gill and Duffus.

COCOA	Yesterday's Close £ per tonne	+ or —	Business Done
July	1415-1430	—10.0	1438-1425
Sept.	1444-1445	—15.0	1459-1445
Dec	1487-1488	—11.0	1499-1486
March	1516-1518	—9.5	1530-1518
May	1531-1533	—8.0	1540-1530
July	1546-1550	—6.0	1556-1550
Sept.	1564-1570	—4.5	1574-1565

Sales: 2,994 (4,076) lots of 10 tonnes.

ICCO indicator prices (US cents per pound). Daily price for July 29 96.32 (95.11); five-day average for July 30 94.82 (94.42).

COFFEE

Another quiet day, trading within a narrow range reports Drexel Burnham Lambert. Against a weaker NY close London opened lower but underlying physical interest prevented level from losing more than £24 from the previous close. Prices slowly rallied in very thin conditions closing lower on the day.

COFFEE	Yesterday Close	+ or —	Business Done
July	1850-1860	—07.5	1888-1843
Sept	1870-1873	—11.0	1882-1856
Nov	1885-1886	—15.0	1898-1880
Jan	1906-1912	—19.0	1925-1909
Mar.	1923-1925	—20.5	1935-1920
May	1930-1940	—30.0	1945-1940
July	1950-1960	—30.0	—

Sales: 3,737 (2,891) lots of 5 tonnes.

ICO indicator prices (US cents per pound) for July 29 Comp daily 1979 155.52 (156.24); 15-day average 151.84 (150.61).

SOYABEAN MEAL

Prices moved lower in the early part of the session and found good support from commercial buying. The afternoon saw prices being marked higher in response to a firm Chicago but there was no off-take at these levels, reports Muirpace.

	Y'sterd'ys close £ per tonne	+ or —	Business Done
August	129.0-130.0	+0.25	—
October	128.0-128.2	+0.85	127.0
Dec.	128.0-128.5	+0.85	128.0-127.0
Feb.	130.0-131.0	+0.50	—
April	131.0-132.0	+0.50	—
June	129.0-130.0	+0.50	—
August	129.0-130.0	+0.50	—

Sales: 206 (80) lots of 20 tonnes.

GRAINS

Mnth	WHEAT Yesterday's Close	+ or —	BARLEY Yest'rdy's Close	+ or —
Sept.	103.60	+1.20	103.30	+0.88
Nov.	106.20	+1.20	106.00	+0.85
Jan	109.20	+1.30	108.75	+1.00
Mar.	111.40	+1.05	110.70	+0.88
May.	113.65	+0.90	112.00	+0.86

Business done—Wheat: Sept 103.50-102.50, Nov 106.20-105.10, Jan 109.20-108.20, March 111.50-110.85, May 112.90 only. Sales: 398 lots of 100 tonnes. Barley: Sept 103.35-102.40, Nov 106.10-106.05, Jan 108.35-108.00, March 110.70-100.10, May untraded. Sales: 267 lots of 100 tonnes.

LONDON GRAINS—Wheat: US Dark Northern Spring No. 1, 15 per cent: Aug 95.25, Sept 94.25, Oct 96.75 sellers transhipment East Coast. US No. 2 Soft Red Winter: Aug 90.50, Sept 92.25, Oct 94.00 sellers. English feed, fob: Sept 104.50, Oct 106.50, Oct/Dec 109.50, Jan/March 114.00 buyer, April/June 117.00 values. Maize: U.S. No. 3 Yellow/American transhipment East Coast: July 136.00. Barley: English feed, fob: Aug 102.50-103.50 buyer/sellers, Sept 105.00 values, Oct 107.50 buyer, Oct/Dec 109.50-110.00, Jan/March 113.50-114.00 buyer/sellers. Rest unquoted.

HGCA—Harewith today's locational ex-farm spot prices: Feed Barley: Eastern 96.20, E Mids 98.40, N East 97.90. The UK monetary coefficient for the week beginning Monday August 4 is expected to change to 1.146.

SUGAR

Reports of further purchases by China rallied the market again after yesterday's technical decline, reports Czarnikow.

No. 6 Contract	Yest'rdy's close	Previous close	Business done
	$ per tonne F.O.B.		
Aug	145.2-145.6	141.6-143.6	142.6-139.8
Oct	150.0-150.4	147.0-147.4	150.4-145.0
Dec.	154.0-155.6	155.0-155.4	152.4-152.4
Mar.	162.2-162.4	161.6-162.0	162.6-160.2
May.	165.0-167.0	166.8-166.8	166.8-165.0
Aug	169.0-170.6	170.8-171.6	—
Oct	172.0-174.6	174.0-175.0	—

Sales: 3,017 (2,627) lots of 50 tonnes.

LONDON DAILY PRICE—Raw sugar $151.50 (£101.00) down $3.00 (down £3.00) a tonne for August-September delivery. White sugar $182.00 (down $5.50).

Tate & Lyle delivery price for granulated basis sugar was £205.00 (£208.00) a tonne for export.

International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports.) Prices for July 29: Daily price 6.24 (6.31): 15-day average 5.44 (5.38).

PARIS—(FFr per tonne): Oct 1335/1338, Dec 1338/1345, Mar 1370/1379, May 1405/1420, Aug 1440/1460, Oct 1480/1500.

FREIGHT FUTURES

	Close	High/Low	Prev.
	Dry Cargo		
July	560/62	560	561/565
Oct.	638/39	640/37	640/641
Jan.	670/78	673/70	672/674
April	725/28	732/28	730/743
July	670/75	—	650/655
Oct.	740/50	750	750/760
Jan.	770/800	—	740/780
Apr.	900	—	825/895
BFI.	558.5	—	559

Turnover: 122 (66).

	Close	High/Low	Prev.
	Tankers		
July	1080/1150	—	1040/1180
Aug.	1030/70	—	1010/1040
Sep.	1000/1080	1030/25	1020/1050
Dec.	—	—	1045/1100
Mar.	—	—	1020/1070
June	—	—	1075/1150
BTI.	1097.5	—	1092

Turnover: 9 (11).

POTATOES

Initial strength following firm Dutch market was short lived, and widespread rain and fears of change in standard riddle sizes for the season attracted heavy selling with prices falling sharply to close near the lows. Earlies were steady as physical market remained firm, reports Coley and Harper.

Month	Yesterdays close	Previous close	Business done
	£ per tonne		
Nov	119.50	125.00	125.00-119.00
Feb	129.50	136.50	—
Apr	196.20	203.00	207.00-195.50
May	205.30	212.50	—
Nov	81.00	81.50	—

Sales: 1,754 (1,252) lots of 40 tonnes.

Earlies—Aug 108.50, +3.50: Sept 107.50, +2.50. Sales 5 lots of 10 tonnes.

RUBBER

PHYSICALS — The London market opened slightly easier, met persistent selling throughout the day and closed easier, reports Lewis and Peat. Closing prices (buyers): Spot 59.00p (—0.50p): Oct 58.00p (—0.50p): Sept 58.00p (—0.50p). The Kuala Lumpur fob price (Malaysian cents per kilo): RSS No 1 216.0 (218.0) and SMR 20 190.0 (191.0).

FUTURES—Index 585. Sept 582-587, Oct/Dec 578-583, Jan/March 587-592, April/June 600-605, July/Sept 610-615. Sales: Nil.

OIL

Fifteen day Brent was extremely volatile fluctuating in line with the NYMEX. Prices firmed with most trade in September Brent and deals done in the range 10.03 to 10.37. Nymex WTI opened 29 cents up to trade heavily in September finishing the morning four cents down at 1.30 pm EDT. In the petroleum products market Naptha and gasoil prices rose in thin trading on the back of stronger futures prices and rumours of an Opec agreement. Demand for gasoline continued strong in both north west Europe and in the Mediterranean. Heavy fuel was quiet, reports Petroleum Argus London.

CRUDE OIL FUTURES—Brent Bland Index. $ a barrel. (Close, change, business done): Index 9.80, +0.44, 9.80.

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—August		
Arab Light	—	—
Arab Heavy	—	—
Dubai	8.10-8.25*	+0.60
Brent Blend	9.55-9.70	+0.425
W.T.I. (1pm est)	11.70-11.80*	+0.60
Forcados (Nigeria)	—	—
Urals (cif NWE)	—	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	128-130	+2
Gas Oil	94-97	+4.5
Heavy fuel oil	45-46	—
Naphtha	86-90	+1.5

* September

Petroleum Argus estimates.

GAS OIL FUTURES

Month	Yetrday's Close US $ per tonne	+ or —	Business Done
Aug.	100.50	+5.75	100.50-96.50
Sep.	106.00	+9.0	106.00-01.50
Oct.	107.50	+7.75	107.50-04.50
Nov.	109.00	+5.50	109.25-07.75
Dec.	110.50	+5.75	111.00-08.50
Jan.	111.00	—	111.00-11.00

Turnover: 3,602 (2,524) lots of 100 tonnes.

US MARKETS

New York coffee futures sold heavily, with the deferred month down the 4 per cent limit and the September position losing over 5 cents on the day to close only marginally above the important 180 cent level, reports Heinold Commodities. Although the market is still awaiting the findings of the latest official IBC crop estimate conducted last week, floor sources claimed that disappointed liquidation after two consecutive sessions of losses in a market devoid of other important news prompted heavy liquidation. Stops were activated below 182 cents. Reduced sales of EEC white sugar prompted speculation that trade sources will step up their purchasing programmes of nearby raw sugar, lending the New York sugar futures market good support, to ad dto the see-saw effect of the week so far. The leading October position finished at the high of the day of 6.80 cents, a gain of over 20 points as chartisrts still saw a possibility of a test of the important 7 cent level. Saudi proposals to cut oil production by some 800,000 BPD leant only slight support to a steady crude market, where towards the close gains of 30 cvents were registered.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
August	52.30	—	—	51.95
Sept	52.45	52.55	52.25	52.10
Oct	—	—	—	—
Dec	52.85	52.85	52.65	52.55
Jan	52.95	—	—	52.65
March	53.25	—	—	53.00
May	53.55	—	—	53.30
July	—	—	—	—
Sept	54.00	—	—	53.75
Dec	54.10	—	—	53.85

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
Sept	19.87	20.22	19.76	20.21
Dec	20.33	20.50	20.20	20.61
March	20.77	20.88	20.60	20.96
May	21.00	21.03	20.83	21.03
July	21.20	21.20	21.05	21.20
Sept	21.25	21.18	21.18	21.36
Dec	21.48	—	—	21.65

COFFEE "C" 37,500 lb, cents/lb

	Close	High	Low	Prev
Sept	—	186.30	180.22	185.88
Dec	—	189.50	184.00	188.89
March	186.75	191.25	186.75	190.75
May	188.50	191.00	189.00	192.50
July	190.00	193.50	193.50	194.00
Sept	192.50	192.50	192.50	196.50
Dec	191.00	—	—	195.00

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
August	58.10	—	—	58.15
Sept	58.55	58.75	58.10	58.45
Oct	—	—	—	—
Dec	59.15	59.30	58.75	59.05
Jan	59.35	59.00	59.00	59.25
March	59.75	59.75	59.30	59.60
May	60.15	—	—	60.00
July	—	—	—	—
Sept	60.85	60.65	60.65	60.70
Dec	61.30	—	—	61.15

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
Oct	32.40	32.82	31.14	30.83
Dec	33.50	33.75	32.20	31.75
March	34.20	34.55	33.10	32.55
May	34.95	36.25	33.90	33.40
July	35.85	35.85	34.60	34.12
Oct	36.80	—	—	35.15
Dec	37.30	37.50	37.30	36.05

CRUDE OIL (LIGHT) 42,000 US gallons, $/barrel

	Close	High	Low	Prev
Sept	11.68	11.80	11.50	11.41
Oct	11.50	11.70	11.00	11.40
Nov	11.68	11.90	11.52	11.53
Dec	—	12.00	11.65	11.66
Jan	11.92	12.05	11.70	11.71
Feb	11.90	12.05	11.75	11.76
March	12.03	12.05	11.90	11.81
April	—	12.25	11.95	11.86
May	—	12.05	11.95	11.91
June	11.22	12.20	12.20	11.96
July	12.20	12.50	12.50	12.01

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
August	352.0	353.0	351.5	352.2
Sept	354.0	—	—	354.0
Oct	355.3	356.2	354.6	355.3
Dec	358.6	359.7	358.0	358.6
Feb	362.0	362.8	362.0	362.0
April	365.2	366.0	364.5	365.3
June	368.5	—	—	368.7
August	372.1	—	—	372.4
Oct	375.7	—	—	376.1

SPOT PRICES—Chicago loose lard 18.50 (same) cents per pound. Handy and Harman silver bullion 502.00 (502.50) cents per troy ounce.

HEATING OIL 42,000 US gallons, cents/US gallons

	Close	High	Low	Prev
August	34.20	34.70	33.90	33.58
Sept	35.15	35.85	34.87	34.61
Oct	36.05	36.70	35.80	35.63
Nov	36.75	37.60	36.60	36.30
Dec	37.70	38.70	37.50	37.29
Jan	38.10	39.00	38.00	37.69
Feb	38.60	39.30	38.40	37.94
March	36.10	37.00	36.00	35.74
April	—	35.25	35.00	34.54
May	34.00	34.10	33.80	33.54

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Sept	101.75	102.25	101.00	102.15
Nov	103.00	103.50	102.60	103.50
Jan	104.70	104.75	104.00	104.85
March	106.15	106.25	105.80	106.40
May	107.75	—	—	108.00
July	—	—	—	—
Sept	111.10	—	—	110.95

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
August	447.9	449.0	449.0	449.0
Sept	—	—	—	—
Oct	451.4	452.8	450.1	451.1
Jan	454.4	455.5	454.0	454.1
April	457.7	458.0	458.0	457.4
July	461.2	463.5	460.5	460.9
Oct	465.0	464.0	464.0	463.5

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
August	499.2	—	—	502.0
Sept	502.0	505.0	500.3	504.3
Oct	—	—	—	—
Dec	510.6	513.5	508.5	512.9
Jan	513.5	512.5	512.5	515.8
March	519.1	521.0	517.5	521.4
May	525.1	527.5	525.0	527.3
July	—	—	—	—
Sept	537.4	—	—	539.5
Dec	547.0	550.0	547.0	549.1
Jan	550.2	—	—	552.3
March	557.3	560.0	560.0	559.4
May	564.6	—	—	566.7

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Sept	6.56	—	—	6.38
Oct	6.79	6.80	6.52	6.58
Jan	6.85	6.70	6.70	6.74
March	7.38	7.39	7.21	7.19
May	7.58	7.58	7.36	7.37
July	7.75	7.75	7.53	7.56
Sept	7.76	—	—	7.57
Oct	7.95	7.95	7.75	7.73

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

	Close	High	Low	Prev
Aug	57.35	58.55	57.35	58.85
Oct	58.67	59.92	58.60	60.10
Dec	57.77	59.00	57.77	59.27
Feb	56.42	57.60	56.30	57.80
April	57.40	58.65	57.30	58.72
June	57.90	58.67	57.40	58.90

LIVE HOGS 30,000 lbs, cents/lb

	Close	High	Low	Prev
Aug	59.72	60.40	59.32	60.62
Oct	54.52	56.90	54.45	56.80
Dec	52.70	53.85	52.52	53.97
Feb	51.67	52.50	51.50	52.50
April	46.15	47.00	46.15	47.00
June	47.70	47.97	47.30	47.95
July	47.70	47.70	47.12	47.75
Oct	41.85	41.85	41.75	41.80

MAIZE 5,000 bu min, cents/56 lb bushel

	Close	High	Low	Prev
Sept	167.2	169.2	166.4	169.0
Dec	171.6	174.0	171.4	172.6
March	182.6	184.4	182.0	183.0
May	188.2	189.6	187.6	189.0
July	190.4	192.2	190.2	190.6
Sept	184.6	186.0	184.6	185.2
Dec	185.4	185.4	185.0	185.4

PORK BELLIES 38,000 lbs, cents/lb

	Close	High	Low	Prev
Aug	83.35	84.45	83.35	85.35
Feb	77.65	79.20	77.65	79.65
March	76.37	77.90	76.37	78.37
May	74.32	75.75	74.32	76.32
July	71.07	72.80	71.07	73.07
Aug	69.40	70.00	69.40	71.40

SOYABEANS 5.00 bu min, cents/60 lb bushel

	Close	High	Low	Prev
July	539.4	542.0	539.4	533.0
Aug	521.4	525.2	520.4	519.0
Sept	509.4	512.0	509.0	503.4
Nov	512.2	514.4	510.2	505.4
Jan	521.0	523.0	519.4	514.4
March	530.2	532.4	529.0	523.4
May	538.0	538.4	536.6	529.4
Aug	537.0	538.0	537.0	530.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Aug	151.5	151.7	150.8	150.2
Sept	148.4	148.5	147.7	147.0
Oct	148.7	148.7	146.8	145.8
Dec	151.2	151.5	149.2	148.0
Jan	152.2	152.7	151.0	149.0
March	155.5	155.5	152.0	151.0
May	157.5	158.0	154.0	153.8
July	158.0	158.0	157.5	156.5
Aug	157.5	—	—	156.5

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low	Prev
Aug	16.10	16.33	16.08	16.21
Sept	16.26	16.49	16.25	16.37
Oct	16.42	16.62	16.38	16.54
Dec	16.99	17.23	16.98	17.11
Jan	17.09	17.38	17.09	17.22
March	17.40	17.68	17.40	17.47
May	17.65	17.85	17.65	17.75
July	17.80	18.10	17.80	18.07
Aug	17.55	17.89	17.55	17.84

WHEAT 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
Sept	260.6	264.6	259.6	261.4
Dec	264.4	268.4	263.4	264.2
March	262.4	265.0	261.0	261.0
May	247.4	250.0	247.4	247.0
July	238.0	239.4	237.4	236.6

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Higher dollar lacks conviction

The dollar finished slightly higher against most major currencies, but overall sentiment remained bearish. The June US trade deficit of $14.17bn was virtually unchanged from the May deficit of $14.21bn, and was in line with expectations. But following the stress put on improving the trade balance by Mr Paul Volcker, chairman of the Federal Reserve Board, in Tuesday's testimony to Congress the figure was disappointing and combined with further depressing economic news on US home sales left the dollar nervous and vulnerable. Trading was also nervous ahead of last night's announcement of the US Treasury's quarterly refunding programme, which was forecast to be as high as $30bn, and ahead of today's US leading indicators for June. These are forecast to rise by 0.2 to 0.4 per cent, but the lower figure will probably put further downward pressure on the dollar.

After trading steadily around DM 2.12 ahead of the trade figures the dollar fell to a low of DM 2.1050 and closed at DM 2.1135 compared with DM 2.1110. The US currency also rose to Y156.00 from Y155.70; to FFr 6.8525 from FFr 6.84; and to SFr 1.6950 from SFr 1.69.

On Bank of England figures the dollar's index eased to 112.1 from 112.2.

£ IN NEW YORK

July 30	Latest	Prev. close
Spot	$1.4895-1.4905	$1.4905-1.4915
1 month	0.40-0.37 pm	0.40-0.39 pm
3 months	1.21-1.18 pm	1.24-1.21 pm
12 months	4.42-4.32 pm	4.42-4.35 pm

Forward premiums and discounts apply to the US dollar

STERLING — Trading range against the dollar in 1986 is 1.5555 to 1.3770. June average 1.5089. Exchange rate index rose 0.2 to 72.3, compared with 74.4 six months ago.

Sterling improved as North Sea oil prices rose on reports from the Opec meeting in Geneva about possible voluntary restraint as an interim step to limiting production. The Government's better standing in the latest opinion poll also helped support the pound, which gained 20 points to $1.4900-1.4910. Sterling also rose to DM 3.15 from DM 3.1425; to FFr 10.2150 from FFr 10.18; to SFr 2.5275 from SFr 2.5150; and to Y232.50 from Y231.75.

D-MARK — Trading range against the dollar in 1986 is 2.4710 to 2.1110. June average 2.2320. Exchange rate index 137.8 against 133.0 six months ago.

The D-Mark was fairly steady against the dollar, but gained some ground on publication of the US trade figures. The deficit was much as expected, but maintained the bearish undertone for the dollar. For most of the morning the US currency hovered around DM 2.12, and was fixed in Frankfurt at DM 2.1197, compared with DM 2.1173 on Tuesday. The dollar closed in Frankfurt at DM 2.1145 against DM 2.1215 previously. The Bundesbank was not seen on the open market and did not intervene at the fixing. Mr Helmut Schlesinger, vice president of the German central bank, defended the decision not to cut interest rates, in spite of criticism from abroad. He said West Germany still had an underlying inflation rate of about 2 per cent, and that falling consumer prices reflected lower costs of imports.

JAPANESE YEN — Trading range against the dollar in 1986 is 202.70 to 153.60. June average 167.50. Exchange rate index 217.3 against 182.6 six months ago.

The yen was little changed in quiet Tokyo trading. The dollar rose to Y156.20 from Y155.70, with dealers unwilling to commit themselves ahead of the June US trade figures. Most estimates were for the trade deficit to be almost unchanged from the May figure of $14.21bn, but some optimists were looking for a shortfall of only $7bn, although this failed to move the dollar outside a narrow range of Y155.85 to Y156.20.

POUND SPOT—FORWARD AGAINST POUND

July 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.4870-1.4960	1.4900-1.4910	0.45-0.42c pm	3.50	1.27-1.22 pm	3.34
Canada	2.0605-2.0714	2.0605-2.0615	0.32-0.22c pm	1.57	0.68-0.53 pm	1.17
Nethlnd.	3.54¼-3.57¼	3.54½-3.55½	1⅛-1⅛c pm	4.23	3⅞-3⅝ pm	4.23
Belgium	64.66-65.61	65.15-65.25	18-15c pm	3.04	47-38 pm	2.61
Denmark	11.84½-11.94½	11.84½-11.85½	1⅛-1⅛ore pm	1.27	4⅝-4⅛ pm	1.48
Ireland	1.0595-1.0716	1.0605-1.0615	par-0.10p dis	−0.57	0.10-0.30dis	−0.75
W. Ger.	3.14-3.16⅛	3.14½-3.15½	1⅛-1⅛pf pm	5.24	4⅛-3⅞ pm	5.16
Portugal	218.55-221.93	219.90-221.60	69-165c dis	−6.38	191-457 dis	−5.88
Spain	202.58-203.92	203.10-203.36	36-78c dis	−3.37	113-169 dis	−2.78
Italy	2157½-2178½	2162½-2163½	4-7lire dis	−3.05	17-22 dis	−3.61
Norway	11.08½-11.16½	11.08½-11.09½	4-4⅞ore dis	−4.73	13⅝-14⅝ dis	−5.12
France	10.17½-10.27½	10.21-10.22	2⅞-1⅞c pm	2.50	6⅛-5⅞ pm	2.45
Sweden	10.42½-10.48½	10.43½-10.44½	½-par ore pm	0.29	¼-par pm	0.14
Japan	231½-233½	232-233	1⅛-⅞y pm	5.18	3⅛-2⅞ pm	5.16
Austria	22.08-22.30	22.14-22.17	9⅞-8⅛gro pm	4.87	25⅞-23⅛	4.52
Switz.	2.51½-2.54½	2.52½-2.53½	1⅛-1c pm	5.34	3⅛-3 pm	4.95

Belgian rate is for convertible francs. Financial franc 65.60-65.70. Six-month forward dollar 2.40-2.35c pm. 12-month 4.45-4.30c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

July 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4870-1.4960	1.4900-1.4910	0.45-0.42c pm	3.50	1.27-1.22 pm	3.34
Ireland†	1.3982-1.4080	1.4035-1.4045	0.50-0.30c pm	3.36	1.55-1.20 pm	4.07
Canada	1.3823-1.3895	1.3830-1.3840	0.22-0.25c dis	−2.04	0.75-0.80dis	−2.24
Nethlnd.	2.3740-2.4000	2.3800-2.3810	0.20-0.18c pm	0.95	0.63-0.59 pm	1.02
Belgium	43.55-43.90	43.70-43.80	1-3c dis	−0.55	5-9 dis	−0.64
Denmark	7.92⅞-8.00⅞	7.95-7.95½	1.50-2.10ore dis	−2.71	3.50-4.70dis	−1.30
W. Ger.	2.1050-2.1235	2.1130-2.1140	0.35-0.33pf pm	1.92	1.02-0.97 pm	1.88
Portugal	147⅛-148	147½-147¾	90-150c dis	−9.74	280-430dis	−9.29
Spain	135.85-136.43	135.85-135.95	68-72c dis	−6.19	190-220dis	−6.03
Italy	1446-1457½	1450½-1451½	5½-7lire dis	−5.15	17-19½ dis	−4.88
Norway	7.43-7.46⅛	7.44-7.44½	5.00-5.40ore dis	−8.38	15.4-15.8dis	−8.38
France	6.82½-6.86	6.85-6.85½	0.45-0.55c dis	−0.87	1.30-1.45dis	−0.80
Sweden	6.99½-7.02	7.00-7.00½	1.75-1.85ore dis	−3.17	5.30-5.60dis	−3.11
Japan	155.40-156.20	155.95-156.05	0.25-0.22y pm	1.81	0.75-0.70 pm	1.86
Austria	14.81-14.90½	14.85-14.88½	3-1gro pm	1.61	6-4 pm	1.34
Switz.	1.6865-1.7005	1.6945-1.6955	0.25-0.22c pm	1.80	0.79-0.74 pm	1.80

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 44.00-44.10.

EXCHANGE CROSS RATES

July 30	£	$	DM	YEN	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1.	1.491	3.150	232.5	10.22	2.526	3.549	2163.	2.062	65.50
$	0.671	1.	2.114	156.0	6.855	1.695	2.381	1451.	1.383	43.95
DM	0.317	0.47	1.	73.81	3.243	0.802	1.126	686.6	0.654	20.79
YEN	4.301	6.411	13.55	1000.	43.94	10.87	15.26	9302.	8.867	281.7
F Fr.	0.979	1.459	3.084	227.6	10.	2.474	3.473	2117.	2.018	64.12
S Fr.	0.396	0.590	1.246	91.99	4.042	1.	1.404	855.7	0.816	25.91
H Fl.	0.282	0.420	0.888	65.64	2.879	0.712	1.	609.7	0.581	18.46
Lira	0.462	0.689	1.456	107.5	4.723	1.169	1.640	1000.	0.953	30.28
C $	0.485	0.723	1.528	112.8	4.956	1.226	1.721	1049.	1.	31.77
B Fr.	1.527	2.276	4.809	355.0	15.60	3.859	5.416	3302.	3.147	100.

Yen per 1,000: French Fr per 10: Lira per 1,000; Belg Fr per 100.

EURO-CURRENCY INTEREST RATES

July 30	Short term	7 Days notice	1 Month	Three Months	Six Months	One Year
Sterling	9⅞-10	9⅞-10	9⅞-10	9⅞-10	9⅞-10	9⅞-10
U.S. Dollar	6⅛-6⅜	6⅜-6½	6⅛-6⅜	6⅛-6⅜	6⅜-6⅛	6⅜-6⅛
Can Dollar	8⅛-8⅜	8¼-8½	8¼-8½	8⅛-8⅜	8⅝-8⅞	8⅝-8⅞
D Guilder	5¼-5½	5¼-5½	5⅜-5⅝	5⅜-5⅝	5⅜-5⅝	5⅜-5⅝
Sw. Franc	17⅛-19⅛	2⅛-2⅝	4⅛-4⅜	4⅝-4⅞	4⅝-4⅞	4⅝-4⅞
Deutschmrk	5⅜-5½	4¾-4⅞	4⅜-4⅝	4⅜-4⅝	4⅜-4⅝	4⅝-4⅞
Fr. Franc	7⅛-7⅜	7⅛-7⅜	7⅛-7⅜	7¼-7½	7⅛-7⅜	7⅛-7⅜
Italian Lira	9-10½	10-11	11-11¼	11¼-11⅝	11¼-11⅝	11⅜-11⅞
B.Fr.(Fin)	7-7¼	7⅛-7⅜	7⅛-7⅜	7⅛-7⅜	7¼-7½	7¼-7½
B.Fr.(Con)	6¾-7¼	6⅞-7⅜	7-7½	7-7½	7⅛-7⅝	7⅛-7⅝
Yen	5⅛-5⅜	4⅛-4⅜	4¼-4⅜	4⅝-4⅞	4⅜-4⅝	4⅜-4⅝
D. Krone	8⅞-9⅜	9⅛-9⅝	8⅞-9⅜	9⅛-9⅝	9½-10	9¾-10¼
Asian $ (Sng)	6⅜-6½	6⅛-6⅜	6⅛-6⅜	6⅛-6⅜	6⅜-6⅝	6⅜-6⅝

Long-term Eurodollars: two years 7-7⅛ per cent; three years 7⅛-7⅜ per cent; four years 7⅝-8 per cent; five years 8-8⅛ per cent nominal. Short-term rates are call for US dollars and Japanese yen; others two days' notice.

CURRENCY MOVEMENTS

July 30	Bank of England Index	Morgan Guaranty Change %
Sterling	72.3	−19.7
U.S. Dollar	112.1	+3.2
Canadian Dollar	77.9	−12.5
Austrian Schilling	138.9	+7.6
Belgian Franc	95.7	−7.1
Danish Kroner	88.9	−0.6
Deutsche Mark	157.8	+16.6
Swiss Franc	157.1	+22.5
Guilder	127.7	+10.9
French Franc	69.2	−13.3
Lira	47.1	−16.7
Yen	217.5	+60.9

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

July 30	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.800689	0.670069
US $	6	1.19551	1.00008
Canadian $	8.65	*	1.38381
Austria Sch	4	17.8374	14.9168
Belgian Fr.	8	52.4545	43.8884
Danish Kr.	7	9.55014	7.98312
D'mark	3½	2.53582	2.12017
Guilder	4½	2.85795	2.38959
French Fr.	9½	8.21665	6.86904
Lira	12	1759.47(1)	1466.51
Yen	3½	186.684	156.252
Norway Kr.	8	8.95045	7.46806
Spain'h Pta.	—	163.117	136.151
Swedish Kr.	8	8.40055(1)	7.01705
Swiss Fr.	4	2.03612	1.70213
Greek Drch	20½	164.074	136.981
Irish Punt	—	0.855119	0.714652

* C$/SDR rate for July 29: 1.65853.
(1) SDR rate for July 29.

OTHER CURRENCIES

July 30	£	$
Arg'tina	1.3700-1.3725	0.9200-0.9210
Aus'alia	2.4390-2.4435	1.6370-1.6390
Brazil	20.50-20.55	13.77-13.84
Finland	7.4600-7.4800	5.0210-5.0390
Greece	202.96-205.45	135.90-135.90
H'Kong	11.6290-11.6590	7.8070-7.8090
Iran	114.10*	77.10*
Kuwait	0.4320-0.4330	0.2905-0.2905
Lux'burg	65.15-65.25	43.70-43.80
Malaysia	3.9100-3.9200	2.6270-2.6300
N'Z'land	2.8625-2.8725	1.9250-1.9305
Saudi Ar.	5.5840-5.5690	3.7525-3.7535
Sin'pore	3.2395-3.2470	2.1755-2.1765
S.Af. (Cm)	3.8600-3.8950	2.5975-2.6040
S.Af. (Fn)	7.3545-7.7555	4.9355-5.1950
U.A.E.	5.4645-5.4695	3.6725-3.6735

* Selling rate.

FINANCIAL FUTURES

Bonds below best

US Treasury bond futures were below their best on the London International Financial Futures Exchange yesterday, after an overnight rally in Chicago. Tuesday's comment by Mr Paul Volcker, chairman of the Federal Reserve Board, in his testimony before Congress, that long-term interest rates had room to move lower led to the rally. But the market was nervous ahead of yesterday's announcement of the US Treasury's quarterly refunding package, which was expected to be up to $30bn. This tended to overshadow publication of the June US trade deficit of $14.17bn. The market had expected little change from the May deficit of DM 14.21bn, and after rising to 96-19 from 96-07 in initial reaction to the news quickly fell back to 96-11. Dealers were said to be unsure whether another large deficit would make the Federal Reserve more likely to cut its discount rate, or fear that such a move would send the dollar into a downward spiral. September bonds finished at 96-04, below the opening of 96-17, but above the previous settlement of 95-15.

Long gilt futures gained strength from an opinion poll in Tuesday's London Standard suggesting increased popularity of the UK Government. A stronger pound, as North Sea oil prices rose following encouraging news from the Opec meeting in Geneva about possible voluntary restraint in production, helped underpin the contract.

LIFFE LONG GILT FUTURES OPTIONS

Strike price	Calls—Last Sept	Dec	Mar	June	Puts—Last Sept	Dec	Mar	June
116	4.57	5.58	—	—	0.05	1.16	—	—
118	3.08	4.36	—	—	0.20	1.57	—	—
120	1.44	3.26	—	—	0.56	2.48	—	—
122	0.46	2.30	—	—	1.60	3.52	—	—
124	0.17	1.47	—	—	3.29	5.05	—	—
126	0.05	1.11	—	—	5.17	6.39	—	—
128	0.01	0.49	—	—	7.13	8.07	—	—
130	0.00	0.31	—	—	9.12	9.53	—	—

Estimated volume total, Calls 532, Puts 575
Previous day's open int. Calls 12,090, Puts 4,494

LIFFE US TREASURY BOND FUTURES OPTIONS

Strike price	Calls—Last Sept	Dec	Mar	June	Puts—Last Sept	Dec	Mar	June
88	8.11	8.34	—	—	0.03	1.00	—	—
90	6.17	6.57	—	—	0.09	1.23	—	—
92	4.33	5.35	—	—	0.25	2.11	—	—
94	3.01	4.24	—	—	0.57	3.00	—	—
96	1.53	3.25	—	—	1.45	4.01	—	—
98	1.00	2.36	—	—	2.56	5.12	—	—
100	0.31	1.57	—	—	4.23	6.33	—	—
102	0.14	1.24	—	—	6.06	8.00	—	—

Estimated volume total, Calls 70, Puts 120
Previous day's open int. Calls 1,847, Puts 749

LIFFE £/$ OPTIONS
£25,000 (cents per £1)

Strike price	Calls—Last Aug	Sept	Oct	Dec	Puts—Last Aug	Sept	Oct	Dec
1.30	—	18.88	—	18.98	—	0.01	—	0.41
1.35	13.88	13.88	13.88	13.98	0.00	0.08	0.37	1.03
1.40	8.88	8.88	8.89	9.23	0.04	0.42	1.11	2.20
1.45	4.17	4.77	5.80	4.10	0.54	1.54	2.62	4.07
1.50	1.22	2.12	2.99	3.76	2.60	3.89	5.11	6.73
1.55	0.19	0.72	1.43	2.15	6.56	7.90	8.85	10.12
1.60	0.01	0.19	0.60	1.14	11.38	11.96	12.72	14.11

Estimated volume total, Calls 6, Puts 5
Previous day's open int. Calls 3,722, Puts 5,118

LONDON SE £/$ OPTIONS
£12,500 (cents per £1)

Strike price	Calls—Last Aug	Sept	Oct	Dec	Puts—Last Aug	Sept	Oct	Dec
135	—	13.90	—	13.90	—	0.80	—	1.50
140	8.90	8.60	9.85	10.40	0.15	0.55	0.90	2.15
145	4.35	6.10	6.05	6.85	0.95	1.60	2.80	4.00
150	1.25	2.40	2.80	4.40	2.30	3.80	4.75	6.55
155	0.40	1.05	1.60	2.80	6.15	7.20	8.65	9.70
160	0.25	0.35	—	1.60	10.85	11.55	—	13.55
165	0.10	0.20	—	0.70	17.25	17.40	—	18.70

Previous day's open int. Calls 4,247, Puts 1,452
Volume, 11

PHILADELPHIA SE £/$ OPTIONS
£12,500 (cents per £1)

Strike price	Calls—Last Aug	Sept	Dec	Mar	Puts—Last Aug	Sept	Dec	Mar
1.30	—	18.80	18.80	—	—	0.05	0.35	—
1.35	—	13.80	13.70	13.80	—	0.10	0.90	2.05
1.40	—	8.80	9.30	10.80	—	0.35	2.10	3.40
1.45	3.90	4.90	5.90	6.80	0.35	1.45	3.70	5.35
1.50	0.95	2.00	3.65	4.60	2.25	3.60	6.20	8.05
1.55	0.05	0.80	2.25	3.05	6.20	7.25	8.60	11.60
1.60	—	0.28	1.15	1.20	11.10	11.80	12.40	15.10

Previous day's open int. Calls 38,083, Puts 32,597
Previous day's volume, Calls 1,814, Puts 125

LIFFE—EURODOLLAR OPTIONS
$1m points of 100%

Strike price	Calls—Last Sept	Dec	Mar	June	Puts—Last Sept	Dec	Mar	June
92.25	1.21	1.22	1.16	—	0.00	0.02	0.06	—
92.50	0.96	0.98	0.95	—	0.00	0.03	0.10	—
92.75	0.71	0.75	0.75	—	0.00	0.06	0.15	—
93.00	0.47	0.56	0.57	—	0.01	0.11	0.22	—
93.25	0.28	0.39	0.41	—	0.05	0.18	0.31	—
93.50	0.10	0.25	0.28	—	0.14	0.30	0.43	—
93.75	0.03	0.14	0.18	—	0.32	0.44	0.58	—

Previous day's open int. Calls 1,291, Puts 1,589
Estimated volume, Calls 209, Puts 6

CHICAGO

US TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	96-14	96-18	95-30	95-15
Dec	95-20	95-23	95-04	95-20
March	94-24	94-26	94-09	94-25
June	—	93-27	93-29	93-30
Sept	—	—	—	93-05
Dec	—	—	—	92-14
March	—	91-25	91-14	91-26
June	—	—	—	91-06
Sept	—	—	—	—
Dec	—	—	89-28	90-60
March	—	—	—	89-25

US TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Sept	94.32	94.32	94.28	94.29
Dec	94.38	94.40	94.36	94.36
March	94.34	94.34	94.31	94.31
June	94.18	94.19	94.17	94.16
Sept	93.97	93.98	93.95	93.95
Dec	93.75	93.77	93.75	93.74
March	93.55	93.56	93.54	93.53

CERT DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Sept	—	—	—	93.75
Dec	—	—	—	93.78

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Sept	93.46	93.46	93.41	93.42
Dec	93.44	93.46	93.39	93.40
March	93.34	93.34	93.29	93.29
June	93.14	93.15	93.10	93.10
Sept	92.88	92.88	92.85	92.86
Dec	92.63	92.64	92.61	92.61
March	92.38	92.39	92.35	92.36
June	92.12	92.15	92.11	92.11

LONDON

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
Sept	120-25	121-04	120-23	120-12
Dec	120-21	120-24	120-24	120-06
March	120-15	—	—	120-00
June	120-15	—	—	120-00

Est. Volume 7,842 (8,862)
Previous day's open int. 14,033 (13,881)
Basis quote (clean cash price of 13% Treasury 2004/08 less equivalent price of near futures contract) −4 to 4 (32nds)

10% NOTIONAL SHORT GILT £100,000
64ths of 100%

	Close	High	Low	Prev
Sept	101-101	101-02	100-61	100-50
Dec	101-01	—	—	100-50
March	101-01	—	—	100-50

Est. Volume 277 (246)
Previous day's open int. 1,050 (1,081)

THREE-MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev
Sept	90.22	90.26	90.19	90.18
Dec	90.42	90.45	90.41	90.36
March	90.36	90.42	90.37	90.34
June	90.27	90.32	90.26	90.26
Sept	90.11	—	—	90.08

Est. Volume 1,846 (1,379)
Previous day's open int. 14,886 (14,433)

FT—SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev
Sept	159.40	160.20	159.25	158.10
Dec	161.25	161.60	161.60	160.95
March	163.75	—	—	163.45

Estimated volume 364 (633)
Previous day's open int 2,295 (2,300)

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Sept	93.46	93.46	93.42	93.38
Dec	93.45	93.45	93.40	93.35
March	93.35	93.35	93.30	93.25
June	93.15	93.17	93.11	93.05
Sept	92.90	—	—	92.08

Estimated volume 2,983 (3,488)
Previous day's open int 18,865 (18,451)

US TREASURY BONDS
$100,000 32nds of 100%

	Close	High	Low	Prev
Sept	96-04	96-19	96-28	95-15
Dec	95-12	—	—	94-23

Estimated volume 5,696 (7,110)
Previous day's open int 7,983 (7,537)

CURRENCY FUTURES

POUND—$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.4905	1.4862	1.4780	1.4668	1.4468

IMM—STERLING $s per £

	Latest	High	Low	Prev
Sept	1.4820	1.4900	1.4805	1.4870
Dec	1.4700	1.4770	1.4685	1.4755
March	—	—	—	1.4625
June	—	—	—	1.4515

LIFFE—STERLING £25,000 $s per £

	Close	High	Low	Prev
Sept	1.4823	1.4886	1.4835	1.4790
Dec	1.4703	1.4778	1.4778	1.4670
March	1.4583	—	—	1.4560

Estimated volume 203 (91)
Previous day's open int 1,553 (1,483)

STERLING INDEX

	July 30	Previous
8.30 am	72.7	72.1
9.00 am	72.7	72.1
10.00 am	72.6	72.1
11.00 am	72.7	72.1
Noon	72.7	72.1
1.00 pm	72.7	72.1
2.00 pm	72.5	72.2
3.00 pm	72.3	72.2
4.00 pm	72.3	72.1

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu July 30	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	43.6761	43.8236	+0.34	+0.92	±1.5368
Danish Krone	7.91896	7.98312	+0.81	+1.39	±1.6403
German D-mark	2.13834	2.12017	−0.85	−0.27	±1.1202
French Franc	6.96280	6.86904	−1.36	−0.78	±1.3701
Dutch Guilder	2.40935	2.38959	−0.82	−0.24	±1.5081
Irish Punt	0.712956	0.714652	+0.27	+0.85	±1.6689
Italian Lira	1496.21	1466.51	−2.85	−2.42	±4.0768

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

MONEY MARKETS

London rates hold steady

Interest rates remained steady on the London money market yesterday. Three-month interbank was unchanged at 9⅞-10 per cent, although there was a return to a small reversed yield curve in the sterling certificate of deposit market. The early strength of the pound, as North Sea oil prices rose on encouraging news from the Geneva Opec meeting, led to a slight improvement in sentiment, but dealers still see a cut in bank base rates as a long term prospect.

The Bank of England initially forecast a very large money market shortage of £900m, but revised this even higher to £1,000m at noon, and provided total help on the day of £1,053m.

An early round of assistance was offered and at that time the authorities bought £306m bills outright, by way of £2m bank bills in band 1 at 9⅞ per cent; £31m bank bills in band 2 at 9⅞ per cent; £267m bank bills in band 3 at 9⅞ per cent; and £6m bank bills in band 4 at 9⅞ per cent.

Another £172m bills were purchased before lunch, including £167m bills outright, through £8m bank bills in band 2 at 9⅞ per cent; £109m bank bills in band 3 at 9⅞ per cent; and £50m bank bills in band 4 at 9⅞ per cent. An additional £5m bills were bought for resale to the market on September 1 at 9⅞ per cent.

Further help of £545m was provided in the afternoon, including purchases of £396m bills outright, by way of £119m bank bills in band 1 at 9⅞ per cent, £339m bank bills in band 2 at 9⅞ per cent; £2m Treasury bills in band 3 at 9⅞ per cent; £25m bank bills in band 3 at 9⅞ per cent; and £1m bank bills in band 4 at 9⅞ per cent. Late help of £30m was also given.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £631m, with the unwinding of repurchase agreements £529m; a rise in the note circulation £90m; and bank balances below target another £40m. These factors outweighed Exchequer transactions adding £410m to liquidity.

UK clearing bank base lending rate, 10 per cent since May 22

NEW YORK RATES
(Lunchtime)

Prime rate	8
Broker loan rate	7½
Fed funds	6¹⁵⁄₁₆
Fed funds at intervention	6⅞
Treasury Bills & Bonds	
One month	5.68
Two month	5.85
Three month	6.02
Six month	6.12
One year	6.30
Two year	6.67
Three year	6.88
Four year	7.00
Five year	7.09
Seven year	7.28
10 year	7.40
30 year	7.50

FT LONDON INTERBANK FIXING

(11.00 a.m. July 30)

Three months US dollars		Six months US dollars	
bid 6 1/16	offer 6 3/16	bid 6 1/16	offer 6 3/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

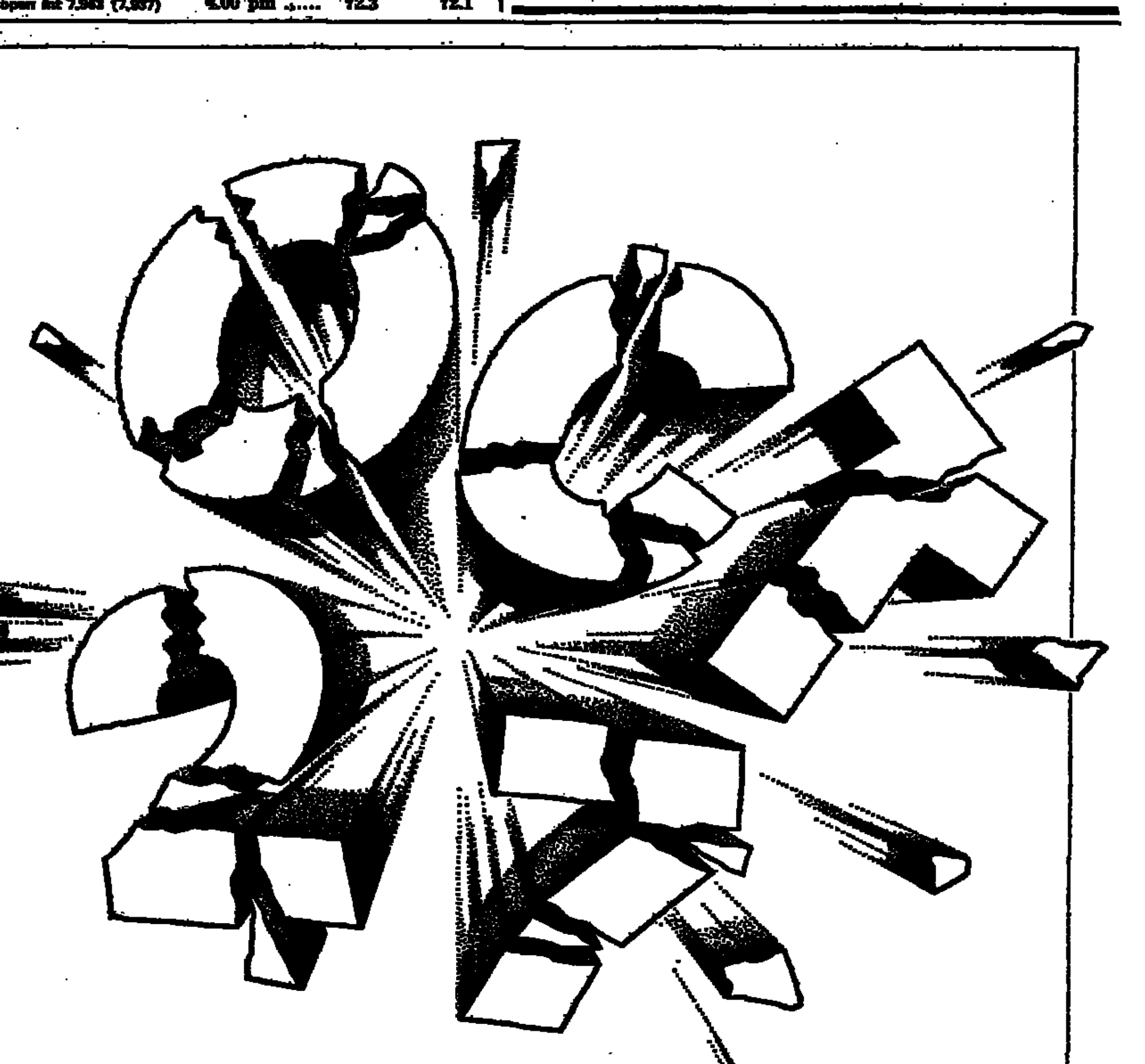
MONEY RATES

July 30	Ov'r-nig't	One Month	Two Months	Three Months	Six Months	Lombard In'v'ti'n
Frankfurt	5.00-5.30	4.55-4.70	4.55-4.70	4.55-4.65	4.55-4.70	5.5
Paris	7	7⅛-7¼	7⅛-7¼	7⅛-7¼	7⅛-7¼	7
Zurich	7⅛-11¼	3⅝-4⅛	—	4⅝-4⅞	—	—
Amsterdam	5⅛-5⅜	5⅜-5⅝	—	5⅜-5⅝	—	—
Tokyo	4.56625	4.56625	—	4.71875	—	—
Milan	11¾-12½	11¼-11⅝	—	11⅝-11¾	—	—
Brussels	8	7⅛-7¼	—	7⅛-7¼	—	—
Dublin	9¾-10	10-10¼	10⅛-10⅜	10⅛-10⅜	10⅜-10⅞	—

LONDON MONEY RATES

July 30	Over night	7 days notice	Month	Three Months	Six Months	One Year
Interbank	5-10¼	9⅞-10⅛	9⅞-10⅛	9⅞-10	9⅞-10	9⅞-10⅛
Sterling CDs	—	—	9⅞-10	9⅞-9⅞	9⅞-9⅞	9⅞-9⅞
Local Authority Depos	9⅝-10	9⅝-9⅞	9⅞	9⅞-9⅞	9⅞	9⅞-9⅞
Local Authority Bonds	—	—	10¼	10¼	10¼	10
Discount Mkt. Depos	7-9¾	9⅝-9⅞	9¾	9¾	—	—
Company Depos	9-10¼	9-10¼	9⅞-10	9⅞-10	—	—
Finance House Depos	—	—	—	—	—	—
Treasury Bills (Buy)	—	—	9⅞	9⅞	—	—
Bank Bills (Buy)	—	—	9⅞	9⅞	9⅛	—
Fine Trade Bills (Buy)	—	—	10⅛	10⅛	10⅛	—
Dollar CDs	—	—	6.40-6.45	6.40-6.45	6.45-6.50	6.55-6.60
SDR Linked Depos	—	—	6⅛-6⅜	6⅛-6⅜	6⅛-6⅜	6⅛-6⅞
ECU Depos	—	—	7⅛-7⅜	7⅛-7⅜	7⅛-7⅜	7⅛-7¼

Treasury Bills (sell): one month 9⅝ per cent; three months 9⅝ per cent. Bank Bills (sell): one month 9⅝ per cent; three months 9⅝ per cent. Treasury Bills: Average tender rate at discount 9.5316 per cent. ECGD Fixed Finance Scheme IV reference date June 4 to July 1 (inclusive): 9.824 per cent. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 10 per cent from July 1 1986. Bank Deposit Rates for sums at seven days' notice 4.35-4.37 5 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 10 per cent; one-three months 10 per cent; three-six months 10 per cent; six-nine months 10 per cent; nine-12 months 10 per cent. Under £100,000 10 per cent from July 16. Deposits held under Series 5 10 per cent. Deposits withdrawn for cash 5½ per cent.



LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1986 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
102 5/16	100½	Exch. 14pc 1986	100 13/32	+1/16	13.87	9.68
98⅜	94⅞	Exch. 2½pc 1986	98⅝	....	12.53	6.97
102 13/16	100⅝	Exch. 13¼pc 1987	101 3/16	+1/16	13.04	9.70
100⅞	97 9/16	Treas 10¼pc Cv '87	100¼xd	+1/16	10.22	9.71
97⅝	92 13/16	Exch 2½pc 1987	97⅝xd	+1/16	2.59	6.83
101¼	97½	Exch. 10½pc 1987	100 1/16	+1/16	10.45	9.73
98⅜	93⅝	Funding 6½pc '85-87‡‡	98 5/16	+⅛	6.61	8.86
101⅛	96 11/16	Treas. 10pc 1987	100 3/16	+1/16	9.98	9.75
97 1/16	90⅞	Treas 3pc 1987	96⅝	+1/16	3.10	7.07
104½	99⅞	Treas. 12pc 1987	102½	+⅛	11.70	9.76
99⅛	92 13/16	Treas 7¾pc 1985-88‡‡	98⅛	.....	7.89	9.10
104	96¼	Exch 10½pc '88	101⅛	+⅛	10.38	9.76
102⅝	95⅛	Treas 9¾pc Cv '88	100⅛	+1/16	9.74	9.70
94⅛	86⅝	Transport 3pc '78-88	93 1/16	....	3.22	6.92
102½	93 13/16	Treas. 9½pc '88	99⅝	+1/16	9.53	9.65
107 3/16	98 3/16	Treas 11½pc 1989	104⅛xd	+1/16	11.04	9.63
103½	93⅞	Treas 9½pc Cnv. '89	99 13/16	+1/16	9.53	9.57
92⅝	82 1/16	Treas 3pc 1989	89 13/16	+1/16	3.33	7.08
105 3/16	95 3/16	Treas 10½pc 1989	102⅛	+1/16	10.28	9.63
104 3/16	94⅛	Exch.10pc 1989	100 13/16xd	+1/16	9.91	9.70
107 3/16	97	Exch 11pc 1989	103 11/16	+⅛	10.61	9.59
93 1/16	84½	Treas 5pc 1986-89	91½	+1/16	5.45	8.04
110 5/16	94⅝	Exch 10¼pc Cv '89	105⅝	+⅛	9.71	8.26
114 3/16	103⅜	Treas 13pc 1990‡‡	110 3/16	+1/16	11.78	9.41
108⅛	97⅛	Exch 11pc 1990‡‡	104 3/16xd	+1/16	10.54	9.55
113⅛	101 13/16	Exch. 12½pc 1990	108 13/16	+⅛	11.48	9.51
89⅝	79⅝	Treas. 3pc 1990	86½	+⅛	3.45	7.14
100 5/16	89⅝	Treas 8¼pc 1987-90‡‡	97½	+⅛	8.46	9.01
106 1/16	93	Treas. 10pc Cv 1990	101 13/16	+1/16	9.83	9.45
86 1/16	76½	Exch 2½pc 1990	83¾	+1/16	2.97	6.91
112 3/16	99 1/16	Treas 11¾pc 1991	108 1/16	+1/16	10.87	9.47
94⅝	83 1/16	Funding 5¾pc '87-91‡‡	91⅝	+⅛	6.27	7.92
86⅛	83½	Treas. 3pc 1991e	83¼	+⅛	3.57	7.06

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Cont.

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING, TIMBER, ROADS

BUILDING, TIMBER, ROADS—Cont.

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INDUSTRIALS—Continued

1986 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
317	210	Morgan Crucible	257	+7	8.5	1.7	4.7	15.1
23½	15½	♯Morris (W) F.A. 20p	16	–½	—	—	—	—
139	96	Moss (Robt.) 10p	132	.....	♦Q3.3	2.7	3.5	14.2
141	65	Myson Grp 10p	124	+4	2.63	2.6	3.0	16.0
365	259	♯NMW Computers	295	.....	6.0	3.0	2.9	17.0
40	27	Nash Inds.	39	.....	†0.5	—	1.8	—
*27½	15½	Neil & Spencer 10p	21	.....	♦b—	—	—	—
39	28	Newman Inds 10p	36	.....	0.8	1.2	3.2	(34.6)
154	65	Noble & Lund 10p	130	.....	0.7	4.3	0.8	42.8
65	44	Nolton	47	.....	†0.95	7.0	2.9	6.7
138	96	♯Norank Systems 5p	127	–4	u3.0	♦	3.3	♦
286	187	Norcros	241	+5	9.3	2.2	5.4	11.5
173	49	No-Swift 5p	192	–2	3.5	2.1	3.2	20.4
£303	£228	OCE 9pc Cnv 1987-92	£292	.....	Q9%	—	Ø3.1	—
118	80	Oakwood Grp	100	.....	†5.0	1.3	‡	13.9
250	203	Office & Elect	220	.....	8.5	2.9	5.4	9.0
183	70	Oldacre 20p	180	.....	♦5.0	♦	4.0	♦
36	24	♯Optometrics $0.01	30	.....	—	—	—	—
810	500	Oriflame £1	800	.....	24.5	2.1	4.3	15.5
10	6	Orenstone 12½c	6	.....	gQ3.23d	1.9	14.1	3.7
		For Ozalid 9pc Cnv see OCE 9pc Cnv						
142	85	♯PCT Grp 10p	135	+5	3.2	1.2	5.7	(18.9)
£20½	950	PLM 'B' Sk 25	£17¾	.....	Q23.2%	0.3	3.2	—
184	114	PSM Intl	160	.....	d5.5	2.1	4.8	12.2
255	167	♯Pacer Systems $0.01	290	.....	LdQ3.84c	3.4	1.3	22.3
78	56	♯Pacific Sales 10p	62	.....	3.0	2.1	6.3	9.1
342	225	Park Place 10p	350	.....	♦16.25	1.9	2.7	27.7
445	246	Parker Knoll 'A'	390	–13	†9.5	2.9	3.4	14.2
555	208	♯Parkfield Group 5p	530	+5	3.6	♦	1.0	♦
53	30	♯Pavion Intl	33	+1	—	—	—	8.8
£130	£92	Do 11pc CvLn '94-02	£104	+2	Q11%	—	‡11.1	—
608	393	Pearson	505	.....	10.0	2.8	2.8	16.9
26	12	Peek Holdings 7p	18	.....	—	—	—	—
130	88	Peerless	115	.....	6.3	—	7.7	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

1986 High	Low	Stock	Price	+ or –
115	58	Leisuretime Int 10p	85	.....
117	100	♯Lewmar	105xd	.....
210	145	♯Media Tech Int 20p	145	.....
*170	135	♯Medminster 10p	140	.....
220	130	♯Miss World 10p	190	.....
90	62	Nationwide Leisure	71	.....
17	10½	♯Nimslo Int 20c	13	.....
35½	23	♯Owners Abroad 3p	32	.....
90	46	Photax (Lon.)	60	.....
34	29½	♯P'ddly Radio NV 5p	30	.....
*73	25½	♯Pineapple 10p	67	+2
391	250	Pleasurama 5p	320	.....
178	136	Do. 7pcCvCnRedPf	151	.....
		For Pres. Entertainment see Hotels		
43	18	♯Radio City 'A' NV	30	.....
48	33	♯Radio Clyde N/V	42	.....
393	322	Really Useful Grp 5p	373	.....
64	44	Riley Leisure 10p	46	.....
230	135	Saga Hols. 20p	158xd	+3
355	235	Samuelson Grp 20p	243	+3
123	73	♯Sangers Photo 10p	92	+2
178	138	♯Scantro 50p	147	.....
340	175	Scott. TV 10p	335	.....
294	114	SeaCo Inc $0.125	168	.....
27	7	♯SelecTV 10p	23	–2
37	20	♯Spectrum 5p	27	.....
46	31	TSW 5p	45	.....
285	150	TVS N/Vtg 10p	225	+2
188	118	♯Television Svcs 50p	136	.....
72	50	Tottenham Hotspur	69	.....
96	66	♯Trilion 10p	73	.....
260	140	♯Tyne Tees TV 'A' £1	250	.....
135	104	Ulster TV N/V 'A'	132	.....
100	52	♯Viewplan 5p	57	+2
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

FINANCE, LAND—Cont.

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

MINES—Continued

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL & IRISH STOCKS

[illegible]

"Recent Issues" and "Rights" Page 37 (International Edition Page 25)

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £875 per annum for each security.

هكذا من الأصل

LONDON STOCK EXCHANGE

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
July 14	July 24	July 25	Aug 4
July 28	Aug 7	Aug 8	Aug 18
Aug 11	Aug 28	Aug 29	Sept 8

* " New-time " dealings may take place from 9.30 am two business days earlier.

Good response to improved political and sterling/oil situations

The improving sterling/oil situation continued to boost confidence in London stock markets yesterday. Investors were also encouraged by a more favourable political background in the wake of Tuesday's opinion poll. This showed that the Government had recently regained some of its lost popularity despite criticism of its leadership.

Publicity given to the CBI gloom on UK industrial trends failed to curb investment enthusiasm and values moved higher from the opening bell. Gilt-edged securities led the way with assistance from US bonds, which staged a welcome recovery on Tuesday. Domestic and foreign buying brought fresh gains among longer Gilt maturities ranging to ⅜ or so until the tone softened late to leave maximum rises of ⅜.

Index-linked Gilts featured after announcement of the allotment details for the new £400m issue of Treasury 2½ per cent 2016 "A". Applications were met in full at a tender price of £97 but insufficient was left of the issue for it to operate as a tap when dealings begin this morning. Although settling below the session's best, index-linked stocks recorded improvements stretching to ½.

Equities were cautious before a resurgence of institutional support coupled with fresh inquiries from private investors triggered a widespread advance. Business was selective and concentrated on leading shares, resulting in further useful gains in the FT indices. From midday onwards the market quietened but the tone was fully maintained, helped by a report that Opec ministers were focussing on interim voluntary output restraint as an emergency measure.

In the after-hours' dealings, however, many blue chips drifted away from their day's peaks. Dealers blamed this on Wall Street, which after Tuesday's aborted rally, weakened again in the early trade yesterday. The FT Ordinary Share Index closed 8.7 up on the day after standing 11.7 higher at 4 pm. Similarly, the broader-based FT-SE 100 Share Index ended 9.9 better at 1566.3, after 1570.8.

Barclays lower

Fears of economic sanctions against South Africa prompted weakness in those banks with substantial interests in that area. Barclays fell 15 to 512p and Standard Chartered declined a similar amount to 732p. Elsewhere, Midland firmed 4 to 552p in anticipation of today's interim profits, while NatWest hardened a penny more to 518p, after 520p, following comment on the impressive first half figures. Lloyds cheapened a few pence to 392p; Lloyds merchant bank yesterday announced the launch of a US$600m perpetual floating rate note issue.

Composites regained some composure after Tuesday's setback which stemmed from publicity given to stockbroker Messel's bearish circular. General Accident recovered 10 to 829p and GRE moved up 6 to 855p. Among Lloyds Brokers, Stewart Wrightson, recently the subject of rumours concerning a possible bid from Citicorp of the US, returned to favour and closed 12 better at 454p. Other old takeover favourite Sedgwick added 4 afresh to 367p. Equity and Law highlighted Life issues with a gain of 10 at 248p, while Legal and General put on 8 at 245p.

Confirmation that the Office of Fair Trading is to ask the Monopolies Commission to investigate the "tied" public house system had scant effect on leading Breweries. An initial mark-down merely served to entice "cheap" support and most closed only a shade easier for choice. Whitbread A eased a couple of pence to 268p: the company has agreed the purchase of the 16-strong Wendy hamburger restaurant chain for £6.8m. Among Regionals, Buckleys, the Llanelli-based concern long-regarded as a takeover candidate, eased the turn to 104p following news that the Virani Group disposed of its disclosable stake in the company earlier in the week; Belhaven, in which Virani recently sold a 15.58 per cent stake to Geneva-based Establissment Novedil, retaining just over 9 per cent of the equity, closed unchanged at 62p, after 60p. Revived speculative demand lifted Greene King 4 more to 215p, while J. A. Devenish, advanced 12 to 205p.

Leading Buildings took Tuesday's recovery a stage further. Tarmac hardened a couple of pence to 462p, while Taylor Woodrow rose 7 to 312p. RMC revived with an improvement of 8 at 638p and Redland hardened 2 to 420p. Blue Circle, however, slipped 6 to 575p reflecting concern about its South African interests and rumours of a broker's bearish circular. Cement Roadstone attracted further Irish buying and firmed 2 afresh to 123p, while Marley gained a penny to 113p. Elsewhere, Wiggins encountered a flurry of speculative buying on asset injection hopes and jumped 16 to 142p. Jayplant rose 12 to 60p following the successful acquisition of Lorne Exploration. Higgs and Hill moved up 7 to 607p in a restricted market and John Mowlem rose 8 to 386p, but John Laing gave up 6 more to 483p. Hellical Bar firmed 5 to 232p, but USM-quoted Polypipe, at 135p, encountered profit-taking and lost 5 of Tuesday's speculative gain of 17.

ICI remained a relatively neglected market and settled a shade cheaper at 992p. Coalite, a couple of pence off at one stage, picked up following the annual meeting to close unchanged at 289p. Wardle Storeys hardened 3 to 335p and recently-dull Foseco improved 5 to 239p. Reabrook gained 7 to 89p, after 91p, on vague takeover rumours.

Leading Stores took a distinct turn for the better as investors displayed renewed enthusiasm for the sector. Burton recorded a rise of 12 at 278p and Storehouse jumped 16 to 328p, while Harris Queensway put on 8 at 232p as did Coats Viyella at 482p. Dixons firmed 6 to 334p and Woolworth advanced 25 to 630p; the latter's annual meeting takes place today. Elsewhere, mail order concern Freemans attracted speculative support and closed 18 to the good at 420 and W. H. Smith "A" gained 14 at 276p. Ratners, at 191p, and H. Samuel "A", at 162p, rose 10 apiece, while Lee Cooper appreciated 7 at 192p. Acsis Jewellery, on the other hand, lost a penny at 12p following news of the annual deficit. Lincroft Kilgour, which recorded a speculative rise of 18 on Tuesday, were suspended at 240p at the company's request pending an announcement; dealers expect a bid for the company to be announced in the next few days.

Among the Electrical leaders, British Telecom made further progress to 192p before drifting back to close only a penny firmer on the day at 189p. Racal were again favoured and put on 6 more to 186p, while Thorn EMI improved 10 to 457p. Elsewhere, Ferranti, the subject of continued bid speculation, gained 4 further to 118p. Buyers showed revived interest in Amstrad which touched 124p before closing 10 higher on the day at 122p. Blick, reflecting a newsletter recommendation, hardened a couple of pence to 137p. International Signal were noteworthy for a gain of 10 at 100p, while acquisition news left Microgen a like amount dearer at 368p. United Scientific, recently bought on takeover hopes, reacted 8 to 155p.

Leading Engineers took on a distinctly firm appearance, with GKN attracting buyers ahead of next Wednesday's interim statement and closing 11 higher at 346p. Hawker firmed 8 to 529p and Vickers edged up a couple of pence to 423p. MS International responded to the good recovery in annual profits by rising 6 to 112p, after 114p.

Recently-dull Food Retailers staged a useful recovery. Dee Corporation led the sector higher, rising 10 to 240p, after 213p, on talk of a broker's recommendation in the wake of the satisfactory annual results. Tesco improved 4 to 362p, while ASDA-MFI and J. Sainsbury both hardened 2 to 138p and 372p respectively. William Low revived strongly and closed 20 higher at 550p. Elsewhere, Associated British Foods picked up 6 to 296p and Fitch Lovell rallied 5 to 245p. Somportex added 3 to 215p on the return to profitability and Greggs hardened a couple of pence to 240p in reply to the good annual results. Recently oversold Bernard Matthews found support and rose 15 to 238p, but Cullens shed 5 to 190p following the chairman's warning of continuing losses. Cadbury Schweppes settled a penny cheaper at 167p, after 171p, following US selling after hours.

Among Hotels, Ladbroke moved up to 347p before easing back to close just 3 dearer at 344p. Mount Charlotte, a rising market of late, were unchanged at 89p following the annual results.

Glaxo improve

Buying interest revived in selected miscellaneous industrial leaders, with Glaxo advancing to 975p before settling a little below the best with a rise of 18 on the day at 970p. Trafalgar House were again wanted and put on 7 further to 262p, while Reed International improved 6 to 243p. Pilkington Bros closed 5 better at 413p after the annual meeting. Elsewhere, British Aerospace were supported at 488p, up 15, on news of the Weybridge rationalisation proposals, while English China Clays closed 17 higher at 325p following a Press suggestion of a possible bid from BTR. Johnson Matthey, still reflecting recent newspaper comment, improved 5 further to 198p. Hawley, a dull market earlier in the week on talk that it may make a counter-bid for Brengreen, rallied 5 to 99p. Williams Holdings rose 15 to 645p and Scapa Group 13 to 488p, while BBA continued to attract buyers and put on 10 more to 228p. Times Veneer closed a shade lower at 64p; it was announced yesterday that Swissville has acquired a 15.76 per cent stake in the company.

Leisure issues featured Zetters which advanced 8 to 181p in response to the pleasing preliminary results.

T. Cowie were again to the fore in Motors, touching 197p in the early trade before closing a further 2 dearer at 194p on buying ahead of the interim figures on Monday.

Contrasting features emerged among Paper/Printings. Wace reflected acute disappointment with the omission of an interim dividend and dropped to 58p before closing 11 lower on balance at 61p. Overseas concern Klearfold plummeted 32 to a new low of 65p following news of the near 40 per cent interim profits contraction, but speculative buying ahead of today's preliminary figures helped David S. Smith jump 16 to 258p. Boase Massimi Pollitt rose 9 more to 260p and improvements of 4 and 7 respectively were seen in DRG, 280p, and Osborne and Little, 277p.

Leading Properties made steady progress to close at the day's best. Land Securities firmed 4 to 326p, as did MEPC, to 337p. British Land continued to attract support and added 3 more to 173p, while Hammerson A rose 10 to 440p. News of another bid approach in the sector enlivened several secondary issues. Imry jumped to 375p prior to closing a net 45 up at 355p on the announcement that the company is in talks which may lead to an offer. United Real, currently in bid discussions with Mountleigh, rose 40 to 880p, while Property and Reversionary firmed 4 to 228p. Elsewhere, Abaco gained 5 to 74p following shareholders' approval of the acquisition of estate agents and chartered surveyors Messenger May Baverstock. Marler Estates rose 10 to 575p awaiting today's annual results. Belgrave Holdings attracted support following the annual meeting and gained 9 to 134p in a restricted market.

In Textiles, Lamont gained 8 to 156p following speculative support and Dawson International improved 6 at 250p. Illingworth Morris, reflecting the joint venture with Asahi, the largest processor of synthetic fibres in Japan, closed 4 higher at 116p.

Mercantile House hardend a penny to 293p, after 297p, following the good annual results, while stockjobbing concern Smith New Court rose 6 to 160p. Elsewhere in Financial Trusts, Authority Investments fell 30 more making a two-day relapse of 120 at 300p on the announcement that the offer from Messrs Backhouse, Campbell and Inns had been extended to August 14.

The oil majors gave a distinctly brighter performance as optimistic reports from the Opec meeting in Geneva filtered through to the market. With crude prices also firming up, the leaders enjoyed their best session for some time before turning down on early Wall Street influences. British Petroleum closed a shade below the best at 575p, up 10, while Shell were finally 3 dearer at 803p, after 807p. Britoil rallied to 113p prior to closing only 3 better on balance at 108p, while LASMO ended 3 higher at 96p after early progress to 100p.

Lonrho continued to reflect adverse Press comment and fell 9 further making a two-day fall of 19 at 219p.

Having put on a steady-to-firm performance over the three previous trading sessions, South African mining markets suffered a sharp reaction as the threat of economic sanctions against the Republic increased following Sir Geoffrey Howe's failure to win concessions from Pretoria.

Initial demand for Golds from Johannesburg in the wake of the dull showing by the Financial Rand was more than countered by offerings from other international centres. However, dealers reported little selling of substance and again held the view that any further downdrift in leading Golds presented a buying opportunity.

Nevertheless, heavyweight Golds closed at or around the day's lowest with Vaal Reefs 2¾ down at £34¾ and Amgold over 3 points cheaper at a year's low of £32. Among the more marginal counters, Blyvoor dipped 18 to 254p and Durban Deep fell 14 to 301p. The FT Gold Mines index closed 11.8 down at 193.2.

South African Financials also displayed sizeable losses with Joburg Cons 3 lower at £51 and Anglovaal 2 off at £21. Anglo Corporation fell 50 more to 640p. De Beers finished 22 cheaper at 390p and "Anamint" shed 3 points to £40. Platinums, supported recently amid worries of a possible disruption to South African supplies, also gave ground. Impala, 590p, and Rustenburg, 575p, dipped 25 and 40 respectively.

London-domiciled Financials displayed modest falls despite the relative strength of domestic equities: RTZ eased 4 more to 540p, while Consolidated Gold Fields fell 5 to 422p.

Traded Options

Dealers again reported increased interest in Traded Options. Total contracts transacted amounted to 18,483—12,776 calls and 5,707 puts. Despite the recent weakness of the underlying shares, operators displayed fresh enthusiasm for Lonrho calls which attracted 1,684 trades with business well distributed throughout the various series; Lonrho also attracted 746 puts. British Telecom remained in favour with 1,413 calls and 302 puts done. The FT-SE 100 index contributed another useful evenly-balanced turnover with 1,389 calls and 1,077 puts struck.

FINANCIAL TIMES STOCK INDICES

	July 30	July 29	July 28	July 25	July 24	year ago	1986 High	1986 Low	Since Compilation High	Since Compilation Low
Government Secs	89.35	89.04	88.88	89.19	89.19	83.48	94.51 (18/4)	80.39 (20/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	96.02	95.74	95.76	96.03	95.83	88.56	97.68 (7/7)	86.55 (23/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary ♥	1,280.3	1,271.6	1,263.8	1,263.7	1,264.2	943.1	1,425.9 (3/4)	1,094.3 (14/1)	1,435.9 (3/4/86)	49.4 (26/6/40)
Gold Mines	193.2	205.0	199.3	196.7	195.9	330.6	357.0 (27/1)	185.7 (18/7)	734.7 (15/2/83)	43.5 (26/10/71)
Ord. Div. Yield	4.31	4.34	4.36	4.36	4.36	4.96				
Earnings Yld.% (full)	10.49	10.38	10.42	10.43	10.49	12.18				
P/E Ratio (net) (*)	11.63	11.73	11.68	11.67	11.59	10.12				
Total Bargains (Est.)	21,150	22,326	23,620	22,836	22,986	20,216				
Equity Turnover £m.	—	456.20	458.11	526.09	521.66	332.76				
Equity Bargains	—	19,318	19,068	23,801	19,574	15,510				
Shares Traded (ml).	—	251.9	259.2	263.6	238.2	172.0				

S.E. ACTIVITY

Indices	July 29	July 28
Gilt Edged Bargains	119.0	107.7
Equity Bargains	125.2	123.5
Equity Value	922.1	926.0
5-Day Average		
Gilt Edged Bargains	112.5	117.1
Equity Bargains	130.4	131.2
Equity Value	988.4	967.6

♥ Opening 1273.6 | 10 a.m. 1278.9 | 11 a.m. 1279.7 | Noon 1280.3 | 1 p.m. 1279.0 | 2 p.m. 1281.0 | 3 p.m. 1282.7 | 4 p.m. 1283.3

Day's High 1283.3. Day's Low 1273.6.

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974 *Nil=11.24.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
[illegible]								
HOOG P	FL100	121	3.50	3	5.30	—	—	
KLM C	FL50	568	1.40	108	3	7	4.20	FL46.20
KLM P	FL45	85	2.40	15	3.20	—	—	"
NEDL C	FL180	239	2.50	101	5.50	—	—	FL162
NEDL P	FL170	50	9.70	—	—	—	—	"
NATN C	FL80	97	4.80	5	7.10	23	8.50	FL80
NATN P	FL80	23	3.60	11	4.80	—	—	"
PHIL C	FL50	228	2.20	117	3.80	14	5.50	FL47.30
PHIL P	FL45	144	1.40	312	2.40	5	2.70B	"
RD C	FL200	787	2.40	151	5.40	11	8.50	FL185
RD P	FL170	657	1.10	—	—	—	—	"
ROBE C	FL90	10	3.50	—	—	—	—	FL89.40
ROBE P	FL90	4	2.50	10	3	—	—	"
UNIL C	FL500	133	17	24	27.50	—	—	FL483.50
UNIL P	FL460	46	4.20B	62	8.50	2	12.50	"

TOTAL VOLUME IN CONTRACTS: 22,347

A=Ask B=Bid C=Call P=Put

TRADITIONAL OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
July 21	Aug 1	Oct 23	Nov 3
Aug 4	Aug 15	Nov 6	Nov 17
Aug 18	Sept 5	Nov 20	Dec 1

For rate indications see end of Unit Trust Service

Stocks favoured for the call included Barclays Bank, Thurgar Bardex, Amstrad, Noble and Lund, Polly Peck, Britoil, "The Times" Veneer, Hunter Resources, Davies and Metcalfe, Thomas Marshall (Loxley), Nolton, Hampden Homecare, Hawley, Burton, Ratners, Camford, Abaco Investments, Wace, Martin Ford, Barratt Developments, Next, Rockware, Johnson Matthey, Caffyns, Enterprise, Crown International, Benjamin Priest, Johnson and Firth Brown, Lonrho, Wellman, Farnell and First National Finance. No puts or doubles were reported.

YESTERDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
British Aerospace	488	+15	MS International	112	+ 6
Cowie (T.)	194	+ 2	Ratners	191	+10
English China Clays	325	+17	Royal Insurance	842	− 2
Enterprise Oil	101	+ 5	Sears	118	+ 1½
Imry Property	355	+45	Smith (David S.)	258	+16
Lonrho	219	− 9	Storehouse	328	+16

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Tues. close	Day's change	Stock	No. of changes	Tues. close	Day's change
Britoil	25	105	+ 4	Smurfit (Jefsn)	13	249	− 8
Brit Telecom	21	188	+ 6	Midland Bank	13	548	+ 3
NatWest Bank	16	517	+ 5	BAT Inds	12	395	− 3
Grand Met	15	383	+13	Brit Aerospace	12	473	+ 6
Abaco Invst †	14	17pm	—	Cable and Wire	12	655	+ 8
Parkfield	14	525	−10	Hargreaves	12	235	+ 5

† Nil paid.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	111	0	4
Corporations, Dominion and Foreign Bonds	18	3	49
Industrials	349	171	890
Financial and Properties	149	83	348
Oils	22	22	72
Plantations	1	0	14
Mines	16	83	87
Others	50	79	131
Totals	716	441	1,693

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

		Wed July 30 1986 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 29%)	Est. P/E Ratio (Net)	xd adj. 1986 to date	Tues July 29 Index No.	Mon July 28 Index No.	Fri July 25 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (212)	697.25	+1.0	8.79	3.52	14.51	10.59	690.64	686.95	686.65	500.83
2	Building Materials (26)	782.66	+0.3	9.04	3.69	13.90	12.01	780.70	774.72	773.07	533.66
3	Contracting, Construction (30)	1200.29	+0.6	7.96	3.80	17.19	18.95	1193.34	1188.61	1195.18	814.04
4	Electricals (12)	1803.04	+0.4	8.73	4.25	14.99	34.65	1796.70	1792.78	1790.09	1317.60
5	Electronics (38)	1581.31	+1.0	9.59	2.99	13.96	22.95	1565.24	1544.19	1543.84	1371.26
6	Mechanical Engineering (61)	392.60	+1.2	9.83	4.13	12.96	6.76	388.07	387.79	386.91	271.43
8	Metals and Metal Forming (7)	339.35	+0.9	8.62	4.20	14.73	5.18	336.23	333.06	332.82	181.11
9	Motors (16)	290.44	+1.3	9.08	3.33	12.84	3.78	286.76	285.82	284.44	151.78
10	Other Industrial Materials (22)	1243.59	+1.5	6.76	3.19	17.80	17.26	1225.10	1227.46	1229.95	879.49
21	CONSUMER GROUP (183)	898.46	+1.2	8.01	3.28	15.69	12.66	888.14	888.95	887.33	648.84
22	Brewers and Distillers (22)	907.39	−0.1	9.55	3.54	12.82	12.50	908.16	897.05	898.88	628.67
25	Food Manufacturing (22)	655.73	+0.5	9.65	3.97	13.56	12.20	652.16	654.51	650.94	479.48
26	Food Retailing (15)	1787.47	+1.5	6.43	2.91	21.24	16.13	1760.30	1765.44	1762.20	1589.90
27	Health and Household Products (10)	1521.65	+1.1	5.49	2.27	21.51	11.74	1505.11	1509.86	1504.71	1019.97
29	Leisure (28)	890.30	+1.7	8.05	4.04	16.25	19.23	875.66	874.57	873.00	611.59
32	Publishing & Printing (14)	2465.30	+0.8	7.79	4.06	16.57	48.48	2446.26	2470.08	2468.96	1745.43
33	Packaging and Paper (14)	464.50	+1.3	7.11	3.42	18.34	6.75	458.76	460.05	463.55	333.54
34	Stores (39)	859.62	+2.1	6.98	2.91	19.48	10.49	842.11	843.60	842.29	652.02
35	Textiles (17)	523.47	+1.9	9.98	3.70	11.60	8.94	513.94	515.76	521.52	302.11
36	Tobaccos (2)	1121.70	+1.2	13.39	4.36	8.26	28.60	1108.07	1116.41	1103.20	783.38
41	OTHER GROUPS (88)	746.86	+0.4	9.03	4.22	14.28	13.53	744.02	737.48	736.84	666.82
42	Chemicals (20)	916.48	+0.1	9.57	4.52	12.73	19.49	915.40	916.32	917.98	668.74
44	Office Equipment (4)	238.80	+1.2	7.78	4.43	15.54	4.65	235.97	237.06	237.49	193.14
45	Shipping and Transport (13)	1460.80	+0.9	7.92	4.27	16.10	28.44	1448.24	1440.36	1432.63	1118.63
47	Telephone Networks (2)	768.25	+0.4	11.18	4.70	12.23	16.67	765.18	744.12	743.59	867.36
48	Miscellaneous (49)	1019.43	+0.3	6.73	3.38	18.60	11.94	1016.00	1017.73	1015.64	809.55
49	INDUSTRIAL GROUP (483)	817.54	+0.9	8.45	3.56	15.03	12.52	809.95	807.53	806.53	621.34
51	Oil & Gas (17)	1187.48	+1.2	17.21	7.54	6.95	41.46	1173.38	1169.41	1168.41	1126.25
59	500 SHARE INDEX (500)	850.25	+1.0	9.39	3.99	13.37	14.81	842.13	839.57	838.57	663.69
61	FINANCIAL GROUP (117)	596.76	+0.4	—	4.48	—	11.26	594.59	596.28	595.78	464.96
62	Banks (7)	643.83	−0.9	17.68	5.47	7.75	14.83	650.00	650.13	647.29	470.88
65	Insurance (Life) (9)	834.00	+1.8	—	4.48	—	17.27	819.81	824.86	834.33	717.97
66	Insurance (Composite) (7)	480.34	+0.4	—	4.39	—	9.46	478.39	481.60	483.02	361.95
67	Insurance (Brokers) (9)	1217.80	+0.8	8.58	3.92	15.24	23.40	1207.96	1199.33	1185.35	1027.00
68	Merchant Banks (12)	325.96	+0.6	—	3.34	—	4.56	323.87	328.15	328.14	224.97
69	Property (50)	781.13	+1.0	5.55	3.52	23.88	10.95	773.12	771.10	766.91	625.15
70	Other Financial (23)	336.71	+0.6	8.15	4.56	15.08	5.98	334.82	337.60	337.32	[illegible]
71	Investment Trusts (101)	746.82	+0.4	—	3.03	—	10.09	743.03	745.06	743.68	557.78
81	Mining Finance (2)	245.24	−0.9	14.70	6.54	7.93	6.11	247.42	248.29	248.86	245.56
91	Overseas Traders (14)	636.04	−0.5	11.92	6.83	9.96	19.63	639.06	649.74	649.72	604.20
99	ALL-SHARE INDEX (734)	775.34	+0.8	—	4.07	—	13.67	769.09	767.86	767.00	606.45

	Index No.	Day's Change	Day's High	Day's Low	July 29	July 28	July 25	July 24	July 23	Year ago
FT-SE 100 SHARE INDEX ♦	1566.3	+9.9	1570.8	1558.7	1556.4	1549.4	1545.8	1547.7	1572.3	1261.7

FIXED INTEREST

	PRICE INDICES	Wed July 30	Day's change %	Tues July 29	xd adj. today	xd adj. 1986 to date
	British Government					
1	5 years	122.23	+0.20	121.99	—	6.89
2	5-15 years	140.78	+0.33	140.32	—	7.99
3	Over 15 years	148.79	+0.51	148.04	—	7.93
4	Irredeemables	163.99	+0.36	163.40	—	7.27
5	All stocks	137.07	+0.32	136.63	—	7.68
	Index-Linked					
6	5 years	113.37	+0.11	113.25	—	1.18
7	Over 5 years	115.43	+0.36	115.02	—	1.99
8	All stocks	115.03	+0.31	114.67	—	1.84
9	Debentures & Loans	119.87	+0.09	119.79	0.04	5.88
10	Preference	84.40	−0.20	84.57	—	3.73

	AVERAGE GROSS REDEMPTION YIELDS		Wed July 30	Tues July 29	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	8.21	8.24	10.01
2		15 years	9.18	9.22	10.18
3		25 years	9.20	9.25	10.19
4	Medium Coupons	5 years	9.51	9.57	10.84
5		15 years	9.50	9.55	10.54
6		25 years	9.50	9.55	10.11
7	High Coupons	5 years	9.68	9.76	10.94
8		15 years	9.65	9.70	10.67
9		25 years	9.49	9.55	10.19
10	Irredeemables †		9.20	9.23	9.99
	Index-Linked				
11	Inflat'n rate 5%	5 yrs.	3.82	3.86	0.0
12	Inflat'n rate 5%	Over 5 yrs.	3.54	3.56	0.0
13	Inflat'n rate 10%	5 yrs.	2.56	2.60	0.0
14	Inflat'n rate 10%	Over 5 yrs.	3.38	3.40	0.0
15	Debs & Loans	5 years	10.09	10.05	11.46
16		15 years	10.42	10.44	11.34
17		25 years	10.40	10.50	11.22
18	Preference †		10.90	10.88	11.43

♦ Opening Index 1558.7; 10 am 1566.4; 11 am 1567.6; Noon 1568.5; 1 pm 1568.0; 2 pm 1570.4; 3 pm 1570.7; 3.30 pm 1570.6; 4 pm 1570.8

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 28p.

NEW HIGHS AND LOWS FOR 1986

NEW HIGHS (28)

BREWERS (1) Devenish (J. A.). BUILDINGS (3) Cement-Roadstone, *Tysons (Contr.)*, *Wiggins Grp*. CHEMICALS (1) Reabrook. STORES (2) Ratners, Samuel (H.) A. ELECTRICALS (2) Amstrad, Plasmec. ENGINEERING (3) Carclo, Detritend Stamping, Wagon Indl. INDUSTRIALS (4) Dominion Int., Hargreaves, Mainmet, Southern Business Grp. PAPER (1) Smith (David S.). PROPERTY (5) Belgrave, Imry Prop., Land Investors, Lon. Shop Prop. 9pcCv. '94-99, New Cavendish Ests. SHIPPING (1) Lon. & O'seas. Frtrs. Pfd. Ord. TRUSTS (4) Govett Oriental, Murray Smaller Markets, Do. B, US Deb. Corp. MINES (1) Great Victoria Gold.

NEW LOWS (46)

AMERICANS (4) BASIX Corp., Bethlehem Steel, Chemical New York, IBM Corp. CANADIANS (2) Can. Imperial Bank, Gulf Can. BANKS (1) First Nat. Finance 6.3pc Cv. Cm. Red. Pf. BUILDINGS (1) May & Hassell. STORES (1) Acsis Jewellery. ELECTRICALS (5) Black & Decker, Micro Focus, Process Systems, TDK Corp., Wayne Kerr. FOODS (1) Cullen's. INDUSTRIALS (7) Brit. Bloodstock, Brit. Island Airways, Eastcourt, Elkem AS, Lodge Cars, Maxiprint, Mitchell Cotts. INSURANCE (1) Travelers. PAPERS (1) Klearfold Inc. SOUTH AFRICANS (1) SASOL. TRUSTS (4) Alva Inv. Trust, Independent Inv., North Sea Assets, Ivory & Sime. OILS (6) Hamilton Oil Corp., Magnet Grp., Meridian Oil, Monument Oil, Moonie Oil, Southwest Res. MINES (11) Durban Deep, ERGO, Vlakfontein, Stilfontein, St. Helena, Anglo Amer. Coal, Anglo Amer. Gold, Anglovaal, Gold Fields SA, Minorco, Musto Expls.

BASE LENDING RATES

	%		%
ABN Bank	10	Exeter Trust Ltd.	10½
Allied Arab Bank Ltd	10	Financial & Gen. Sec.	10
Allied Dunbar & Co	10	First Nat. Fin. Corp.	11
Allied Irish Bank	10	First Nat. Sec. Ltd	11
American Express Bk.	10	● Robert Fleming & Co.	10
Amro Bank	10	Robert Fraser & Ptrs.	11
Henry Ansbacher	10	Grindlays Bank	‡10
Associates Cap Corp	10	● Guinness Mahon	10
Banco de Bilbao	10	● Hambros Bank	10
Bank Hapoalim	10	Heritable & Gen. Trust	10
Bank Leumi (UK)	10	● Hill Samuel	§10
Bank Credit & Comm	10	C. Hoare & Co.	10
Bank of Cyprus	10	Hongkong & Shanghai	10
Bank of Ireland	10	Knowsley & Co. Ltd.	10½
Bank of India	10	Lloyds Bank	10
Bank of Scotland	10	Mase Westpac Ltd.	10
Banque Belge Ltd	10	Meghraj & Sons Ltd.	10
Barclays Bank	10	Midland Bank	10
Benchmark Trust Ltd	10	● Morgan Grenfell	10
Beneficial Trust Ltd	11	Mount Credit Corp. Ltd	10
Berliner Bank AG	10	National Bk. of Kuwait	10
Brit. Bk. of Mid. East	10	National Girobank	10
● Brown Shipley	10	National Westminster	10
CL Bank Nederland	10	Northern Bank Ltd.	10
Canada Permanent	10	Norwich Gen. Trust	10
Cayzer Ltd	10	PK Finans. Intl (UK)	10½
Cedar Holdings	11	Provincial Trust Ltd	11
● Charterhouse Bank	10	R. Raphael & Sons	10
Citibank NA	10	Roxburghe Guarantee	11
Citibank Savings	¶10¾	Royal Bank of Scotland	10
City Merchants Bank	10	Royal Trust Co. Canada	10
Clydesdale Bank	10	Standard Chartered	10
Comm. Bk. N. East	10	Trustee Savings Bank	10
Consolidated Credits	10	UDT Mortgage Express	¶10.9
Continental Trust Ltd.	10	United Bank of Kuwait	10
Co-operative Bank	*10	United Mizrahi Bank	10
The Cyprus Popular Bk	10	Westpac Banking Corp	10
Duncan Lawrie	10	Whiteaway Laidlaw	10½
E. T. Trust	11	Yorkshire Bank	10
Equatorial Tst Corp. plc.	10		

● Members of the Accepting Houses Committee. * 7-day deposits 5.69%. 1-month 6.03%. Top Tier—£25,000+ at 3 months' notice 9.72%. At call when £10,000+ remains deposited. ‡ Call deposits £1,000 and over 6¼% gross. ¶ Mortgage base rate. § Demand deposit 5.82%. Mortgage 11%.

LONDON TRADED OPTIONS

Option		CALLS Oct.	CALLS Jan.	CALLS Apr.	PUTS Oct.	PUTS Jan.	PUTS Apr.
Allied Lyons (*325)	300	40	48	55	6	8	10
	330	20	28	35	18	22	23
	360	9	15	20	38	42	45
[illegible]							

Option		CALLS Aug.	CALLS Nov.	CALLS Feb.	PUTS Aug.	PUTS Nov.	PUTS Feb.
Midland Bk (*552)	500	55	70	85	3	8	12
	550	23	38	50	20	25	35
	600	4	17	30	62	67	75
[illegible]							

WORLD STOCK MARKETS

AUSTRIA | GERMANY | NORWAY | AUSTRALIA (continued) | JAPAN (continued)

BELGIUM/LUXEMBOURG | SPAIN | HONG KONG

DENMARK | ITALY | SWEDEN | JAPAN | SINGAPORE

FRANCE | NETHERLANDS | SWITZERLAND | AUSTRALIA | SOUTH AFRICA

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. * Price in Kroner.

CANADA

TORONTO

Closing prices July 30

MONTREAL

Closing prices July 30

Indices

NEW YORK

STANDARD AND POORS

N.Y.S.E. ALL COMMON

NYSE-Consolidated 1500 Actives

TORONTO

MONTREAL Portfolio

* Indicates pre-close figure

	July 30	July 29	July 28	July 25	1986 High	1986 Low
AUSTRALIA						
All Ord. (1/1/80)	1100.7	1105.1	1094.7	1118.8	1247.0 (7/5)	1010.8 (2/1)
Metals & Mnls. (1/1/80)	500.6	500.0	492.1	491.1	602.8 (24/3)	481.1 (30/5)
AUSTRIA						
Creditbk Aktien (30/12/84)	230.58	229.81	230.26	229.78	268.84 (23/4)	228.58 (5/5)
BELGIAN						
Brussel SE (1/1/84)	3626.45	3625.59	3651.48	3648.74	3746.88 (7/7)	2798.91 (15/1)
DENMARK						
Copenhagen SE (3/1/83)	202.50	200.01	202.20	202.58	250.70 (18/4)	200.01 (29/7)
FRANCE						
CAC General (31/12/82)	380.4	379.0	381.5	377.5	411.5 (15/5)	267.8 (2/1)
Ind Tendance (31/12/82)	145.5	144.8	146.0	144.0	154.5 (12/5)	101.6 (2/1)
GERMANY						
FAZ Aktien (31/12/58)	811.18	802.78	815.31	816.31	755.88 (17/4)	583.02 (22/7)
Commerzbank (1/12/53)	1842.0	1809.5	1843.5	1851.70	2278.8 (17/4)	1782.4 (22/7)
HONG KONG						
Hang Seng Bank (31/7/64)	1847.94	1889.01	1847.28	1842.57	1885.65 (7/5)	1559.84 (10/5)
ITALY						
Banca Comm Ital. (1972)	725.75	729.55	751.83	717.68	988.20 (20/5)	454.87 (24/1)
JAPAN**						
Nikkei (16/5/49)	17799.0	17729.8	18038.9	18058.59	18050.58 (28/7)	12891.5 (21/1)
Tokyo SE New (4/1/68)	1460.27	1454.20	1466.46	1452.02	1456.40 (28/7)	1025.85 (21/1)
NETHERLANDS						
ANP.CBS General (1970)	285.1	281.5	284.5	282.2	294.4 (11/7)	240.4 (5/5)
ANP.CBS Indust (1970)	284.2	285.4	285.8	285.7	285.7 (11/7)	254.0 (5/5)
NORWAY						
Oslo SE (4/1/83)	335.12	352.92	357.98	336.87	492.91 (16/1)	332.92 (29/7)
SINGAPORE						
Straits Times (30/12/66)	748.30	745.44	752.91	727.10	776.80 (23/6)	563.34 (28/4)
SOUTH AFRICA						
JSE Gold (28/9/78)	—	1341.5	1331.0	1314.6	1341.5 (29/7)	1108.1 (21/4)
JSE Indust (28/9/78)	—	1218.8	1210.6	1208.5	1219.2 (21/7)	1019.5 (2/1)
SPAIN						
Madrid SE (30/12/85)	173.88	175.09	171.83	(c)	194.77 (12/5)	100.85 (3/1)
SWEDEN						
Jacobson & P (31/12/56)	2438.74	2448.76	2462.77	2465.13	2510.56 (7/7)	1728.57 (29/1)
SWITZERLAND						
SwissBank Cpn (31/12/58)	509.5	507.5	518.9	513.9	625.5 (8/1)	502.0 (25/7)
WORLD						
M.S. Capital Intl. (1/1/70)	—	326.5	328.4	329.5	351.4 (4/7)	248.8 (25/1)

** Saturday July 26: Japan Nikkei 17,998.3. TSE 1,445.80.

Base value of all indices are 100 except Brussels SE—1,000; JSE Gold—255.7, JSE Industrial—264.3, and Australia, All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities. 40 Financials and 20 Transports. c Closed. u Unavailable.

OVER-THE-COUNTER

Nasdaq national market, closing prices

Continued from Page 35

LONDON

Chief price changes

(In pence unless otherwise indicated)

RISES

Treas. 12½% '03/05	£125	+ ⅜
Treas. 2½% I.L. '11	£106¾	+ ½
Brit. Aerospace	488	+15
B P	575	+10
Burton	278	+12
Dee Corp.	240	+10
Eng. China Clays	325	+17
Enterprise Oil	101	+ 5
Freemans	420	+18
GKN	346	+11
Glaxo	970	+18
Imry Property	355	+45
Jayplant	60	+12
Lamont Hldgs.	156	+ 8
Lee (Arthur)	73	+ 6
MS Intnl.	112	+ 6
Powell Duffryn	280	+10
Ratners	191	+16
Reabrook Hldgs.	89	+ 7
Smith (David S.)	258	+16
Utd. Real Prop.	880	+40
Wiggins Group	140	+14
Zetters	181	+ 8

FALLS

Anglo Amer. Corp.	840	−50
Anglo Amer. Gold	£32	− 3¼
De Beers Defd.	390	−22
Klearfold	65	−32
Lonrho	219	− 9
Vaal Reefs	£34¾	− 2¼
Wace	61	−11

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
28½	13½	AAR s	.44	2.1	16	151	21½	20⅝	20⅞	−⅛
30	21¾	ADT	.92	3.9		175	23¾	23¼	23¾	+⅜
33	11½	AFG s	.08i	3	16	782	30¼	29¾	30	+⅛
25⅝	13¾	AGS			12	156	17¾	17¼	17½	−¼
15	9⅞	AMCA			281	4	11⅛	11¼	11¼	
60⅝	37½	AMR			13	6969	53¼	50⅛	52½	+2½
24	19¼	ANR pf2.12		9.2		15	23	22⅞	23	+⅛
12½	8½	APL			6	5	11⅜	11⅜	11⅜	
16¾	11⅛	ARX	.71t	6.3	10	37	11⅝	11¼	11¼	−½
48⅛	28¾	ASA	2a	6.5		168	30⅝	30½	30⅝	
18⅝	10¼	AVX		3 1		449	10½	d10	10¼	−⅛
32	22⅝	AZP	2.72	9 5	8	1333	28⅞	28⅝	28¾	
55	28⅝	AbtLb s .84		1 7	23	2886	49½	48¼	49¼	+¾
32	19⅝	AccoWd.56		2.1	50	19	26⅝	26½	26½	
16¼	9⅛	AcmeC .40		4 0		152	10¼	9⅞	10	−⅜
21	17	AdaEx 1.90e		9 1		63	20⅞	20⅝	20⅞	
33⅝	16	AdmMl .40		1.3	14	31	31⅛	30¾	31⅛	+⅛
20⅝	11¼	AdvSys.83t		5.1	15	86	16¾	16⅛	16⅛	−¾
32⅞	14⅛	AMD				5873	16¼	14½	16¼	+1⅝
12⅝	6¼	Adobe n			266	6¼	d	5⅝	5¾	−½
18⅝	14	Adob pf1.84		13.		156	14	d13¾	14	
20¼	15½	Adob pf2.40		14		58	17⅛	16⅞	17	+⅛
18⅝	7⅞	Advest .12a		.7	12	527	16⅝	15½	16⅛	+⅜
68¼	42¼	AetnLf 2.64		4 4	10	2215	60⅝	59¼	60¼	+½
57½	51½	AetL pf4.28e		8.2		237	52⅝	52½	52½	
101½	94	AetL pfC3 31e		3.5		50	94	94	94	
28¾	9¾	Ahmans .46		1.8	8	6906	25¼	25	25¾	+1⅛
5¾	2½	Aileen			93	75	4¾	4½	4⅝	
41⅝	25¾	AirPrd s .80		2 4	62	1062	34½	32¾	34	+1½
27¾	16	AirbFrt .60		3 4	15	85	18	17¼	17½	−⅜
2⅛	⅜	AlMoan .80c				111	7-16	13-32	7-16	+1-32
28¼	25⅝	AlaP pf2.27e		8.8		300	26½	26½	26½	+⅛
10¼	7⅝	AlaP dpf.87		8.9		82	9⅞	9¾	9¾	
103½	75¼	AlaP pf 9		9.1		z40	98½	98½	98½	−1½

Continued on Page 35

NYSE COMPOSITE CLOSING PRICES

Continued from Page 34

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12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Ch'ge
23	13¼	vjWhPrpf				z100	16¼	16¼	16¼	+ ¼
83	42½	Whurlpl	2	3.0	13	936	68	65½	67⅞	+ 1⅝
34⅞	19⅝	Whitehl			17	370	25¾	24½	25⅝	+ ⅛
29⅝	17¼	Whittak	.60	2.2	34	306	27¼	26⅞	26⅞	− ⅝
17¼	8	Wilfred	.12	.9	15	16	13¾	13⅝	13¾	
18½	7⅞	WillcvG	.10	.7	7	48	13⅝	13½	13½	− ⅛
33½	19¼	Williaml	.40	7.3	39	920	19¾	d18⅝	19¼	
12¼	3	WilmEl			34	754	7½	6⅝	7½	+ ⅝
7⅛	4	WilshrO	.10b	1.9	22	31	5⅜	5¼	5⅜	− ⅛
53	32¼	WinDix	1.80	3.8	17	228	47¾	46⅞	46⅞	− ⅜
20¾	8½	Winnbg	.20	2.0	20	2850	10¼	9⅝	10	− ¼
9⅝	4⅝	Winner			64	4⅝	d	4½	4½	− ⅛
10⅝	4½	WinterJ	.10e	1.3	19	523	8⅝	6	7¾	− 1⅞
59½	30¾	WiscEP	2.68	4.6	12	370	58⅜	57⅝	58¼	+ ½
104	78	WisE	pf8.90	8.7		z150	102½	102½	102½	
100¾	66	WisE	pf7.75	8.2		z160	94¼	94	94	− 1
57¼	28⅛	WiscPL	2.96	5.3	14	117	56⅜	55⅛	55⅝	− ½
58½	36¾	WiscPS	3	5.4	13	368	56¼	55½	55¼	− ½
38½	22	Witco	s 1.12	3.4	12	663	33¾	33¼	33⅜	− ¼
14	9¼	WolvrW	.12j		19	862	9⅞	d	8½	9¼
49	21⅛	Wlwth	s1.12	2.6	15	1743	43¾	42⅛	43¼	+ ⅝
137	63	Wolw	pf2.20	1.8		7	122	121¾	122	+ 2
5⅝	3	WrldAr				65	4¼	4⅛	4⅛	− ⅛
48½	25½	Wrigly	s .96	2.2	19	55	43¾	43¼	43⅜	− ⅛
4⅞	2¼	Wurltzr				14	2⅜	2¼	2¼	− ⅛
17½	10½	WyleLb	.32	2.7	38	82	12	11½	12	+ ⅜
25¾	15	Wynns	.60	2.7		37	22	21¾	21⅞	− ⅛

X Y Z

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Ch'ge
72¼	45¾	Xerox	3	5.6	16	2516	53½	52⅝	53⅜	+ ⅞
58¼	53½	Xerox	pf5.45	9.6		305	57⅛	56⅝	56⅝	− ⅜
38¾	20⅝	XTRA	.64	2.9		83	22⅜	22⅛	22⅜	+ ⅛
17⅝	13½	Yorkln	n			182	15½	15¼	15¼	− ¼
39	26¼	ZaleCp	1.32	3.9		546	34½	33½	34	− ⅜
10⅛	3½	Zapata	.03j			645	4	3⅞	3⅞	
43⅞	23⅞	Zayre	s .32	.9	22	1749	36	35⅜	35½	− ¼
29⅞	16¼	ZenithE				612	22⅝	22¼	22½	+ ⅛
18¼	6⅝	ZenLb	s		13	5878	10	9¼	9¾	− ⅜
22⅞	14¾	Zero	s .29	1.9	15	1786	16⅝	15½	15⅝	− ⅞
45¾	33	Zurnin	1.32	4.0	12	226	33¼	33	33	

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls – sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE CLOSING PRICES

[illegible]

OVER-THE-COUNTER *Nasdaq national market, closing prices*

[illegible]

Continued on Page 33

هكذا من الأصل

FINANCIAL TIMES
WORLD STOCK MARKETS

WALL STREET
Late revival recovers lost ground

A DRAMATIC mid-session rebound on Wall Street reversed early declines prompted by a dismal batch of new data on the state of the ailing economy, *writes Paul Hannon in New York.*

The broad market was boosted by technically induced buy programmes, short-covering and bargain hunting of blue-chip stocks and many investors chose to ignore the latest trade deficit figures and the disappointing sales of single family homes for June.

The bond market reacted quickly to the bad news, however, with drops of nearly a half point in the key Treasury bonds.

The Dow Jones industrial average closed up 12.52 at 1,779.39 having shown losses of over 13 points at noon. Session volume was high at over 147m shares.

Among blue chips, IBM finished the day with a gain of $1 at $132 after an early fall of $¾, General Electric was $⅞ up at $73⅞ and Merck jumped $2 to $105¼.

The flow of corporate results began to dry up as the quarterly season draws to a close.

American Can, one of the constituents of the Dow industrial average, firmed $⅞ to $82¾ on higher second-quarter figures.

ITT gained $1⅛ to $53⅞ in heavy trading on news that it was to increase its stake in the new European telecommunications joint venture.

The steel sector was busy again as LTV fell $⅛ to $2⅞ while USX dropped $½ to $16⅝ in reaction to its $14m profit announced in the previous session. Bethlehem plunged $2¼ to $7 on its dividend omission, while Armco, which revealed a higher quarterly loss on Tuesday, finished down $⅜ to $6½.

Nucor, the steel products group, turned in a modest gain for the last three months but still dropped $⅛ to $33½.

The leading car makers suffered some brisk markdowns with Ford $⅝ cheaper at $54¾ and General Motors, which announced a series of plant closures late on Tuesday, $⅛ lower at $68¾. Chrysler moved against the trend with its $⅝ gain to $36⅝.

Standard Products, which supplies plastic and rubber products to the transport industry, fell $⅝ to $33½ despite its strong gain for the fourth quarter.

Among major retailers, Associated Dry Goods fell $¾ to $59¼, May Department Stores lost $⅞ to $35⅝ and Sears reversed early weakness to finish $⅝ up at $43⅛. Safeway was actively traded $⅝ lower at $65⅛.

Oils were mixed against the background of the Opec summit uncertainty. Texaco was the most active issue of the session with 5.5m shares traded. It gained $½ to $29⅝, Exxon picked up $1¾ to $61⅛ after reaching a settlement with the Energy Department over oil pricing. Chevron added $1½ to $36⅞ despite a plunge in the second quarter, and Atlantic Richfield gained $¾ to $46½ despite weaker earnings figures.

Standard Oil closed $1 up at $43 on news that the group is to move into the natural gas business soon. Mesa Limited Partnerships was steady at $14⅛ despite a fall in second quarter profits of $13.6m.

Avon Products, the cosmetics group, jumped $1¾ to $33⅛ on its plan to buy back up to 1.5m of its shares.

General Re recovered $1¼ to $62¾ after a surge in second-quarter profits while American General fell $¾ to $39⅞ despite its boost in quarterly earnings.

Masco, the building products group, held steady at $28¾ on its higher second-quarter performance while American Standard fell $⅛ to $36½ despite its improved earnings of $54m.

A host of food related stocks fell sharply with Wendy's $1⅜ lower at $11⅞ in continued reaction to its weaker results, overseas reorganisation and a downgrading by a Merrill Lynch analyst. McDonald's was $¾ cheaper at $64⅛.

In the bond market, the recovery triggered on Tuesday ran out of steam ahead of details of the Treasury's refunding operation. The weaker dollar also inhibited demand.

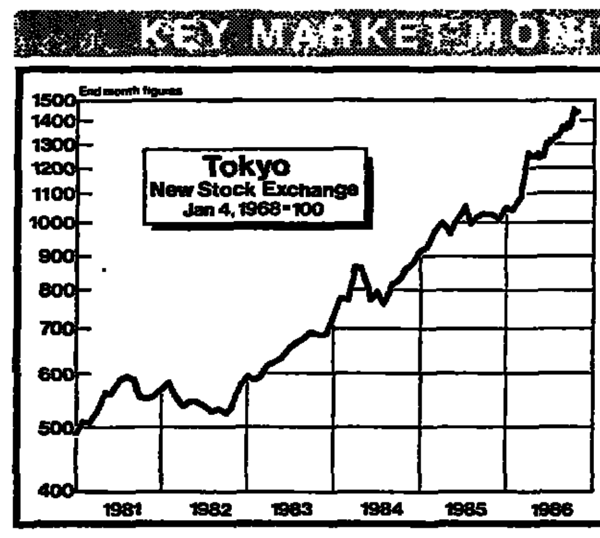
The key long bond, the 7¼ per cent due in 2106, shed 15/32 at 96 23/32 to yield 7.50 per cent.

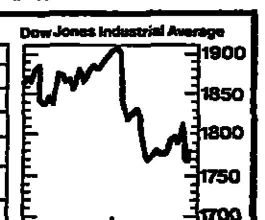
The other bellwether bond, the 7⅜ per cent due in 1996, was 3/32 down at 99 23/32 to yield 7.40 per cent.

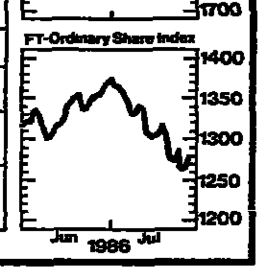
Federal funds opended at 6 5/16 per cent but fell to 6¼ per cent later in the session.

Rates on Treasury bills were little changed with the three-month rate down two basis points at 5.85 per cent and the six-month bill down three basis points to 5.87 per cent. The one-year bill was two basis points lower at 5.94 per cent.

KEY MARKET MONITORS







STOCK MARKET INDICES

NEW YORK	July 30	Previous	Year ago
DJ Industrials	1,779.39	1,766.87	1,346.10
DJ Transport	718.88	711.00	682.12
DJ Utilities	203.94	203.28	156.75
S&P Composite	235.95	234.55	189.93
LONDON	July 30	Prev	Year ago
FT Ord	1,280.3	1,271.6	943.1
FT-SE 100	1,566.3	1,556.4	1,252.3
FT-A All-share	775.34	769.09	606.45
FT-A 500	850.25	842.13	663.69
FT Gold mines	193.2	205.0	330.6
FT-A Long gilt	9.49	9.55	10.11
TOKYO			
Nikkei	17,799.05	17,728.94	12,269.9
Tokyo SE	1,450.27	1,434.20	1,006.15
AUSTRALIA			
All Ord.	1,108.7	1,105.1	933.5
Metals & Mins.	500.6	500.0	551.2
AUSTRIA			
Credit Aktien	230.38	229.81	94.69
BELGIUM			
Belgian SE	3,623.45	3,625.59	2,325.40
CANADA	July 30	Prev	Year ago
Toronto			
Metals & Minls	1,955.0	1,953.6	2,083
Composite	2,931.1	2,934.8	2,778.6
Montreal			
Portfolio	1,463.10	1,461.96	136.66
DENMARK			
SE	202.50	200.01	216.23
FRANCE			
CAC Gen	380.40	379.00	213.2
Ind. Tendance	145.30	144.80	78.6
WEST GERMANY			
FAZ-Aktien	611.16	602.76	461.88
Commerzbank	1,842.00	1,809.30	1,355.9
HONG KONG			
Hang Seng	1,847.94	1,860.01	1,686.24
ITALY			
Banca Comm.	725.75	729.33	353.03
NETHERLANDS			
ANP-CBS Gen	283.10	281.50	217.0
ANP-CBS Ind	284.20	283.40	184.4
NORWAY			
Oslo SE	335.12	332.92	345.29
SINGAPORE			
Straits Times	746.30	743.44	773.98
SOUTH AFRICA			
JSE Golds	–	1,341.5	874.9
JSE Industrials	–	1,216.8	960.6
SPAIN			
Madrid SE	173.69	173.09	82.66
SWEDEN			
J & P	2,438.74	2,448.76	1,382.79
SWITZERLAND			
Swiss Bank Ind	508.50	507.30	457.6
WORLD	July 29	Prev	Yearago
MS Capital Int'l	326.3	328.4	218.2

COMMODITIES

(London)	July 30	Prev
Silver (spot fixing)	332.70p	338.25p
Copper (cash)	£886.25	£884.75
Coffee (Sept)	£1,871.50	£1,882.50
Oil (Brent blend)	$9.6225	$9.20

GOLD (per ounce)

	July 30	Prev
London	$352.00	$352.50
Zürich	$352.10	$352.25
Paris (fixing)	$353.36	$354.16
Luxembourg	$351.85	$354.20
New York (Aug)	$352.00	$352.20

CURRENCIES

	US DOLLAR		STERLING	
(London)	July 30	Previous	July 30	Previous
$	–	–	1.4905	1.4885
DM	2.1135	2.1110	3.15	3.1425
Yen	156.00	155.70	232.5	231.75
FFr	6.8525	6.84	10.215	10.18
SFr	1.695	1.69	2.5275	2.5150
Guilder	2.3805	2.3785	3.5475	3.54
Lira	1.451	1,449.5	2,162.75	2,157.5
BFr	43.75	43.60	65.20	64.90
C$	1.3835	1.3875	2.0610	2.0650

INTEREST RATES

Euro-currencies (3-month offered rate)	July 30	Prev
£	10	10
SFr	4¾	5 3/16
DM	4 11/16	4 11/16
FFr	7⅛	7⅛
FT London Interbank fixing (offered rate)		
3-month US$	6 5/16	6⅜
6-month US$	6 5/16	6⅜
US Fed Funds	6 5/16*	6 5/16
US 3-month CDs	6.20*	6.475
US 3-month T-bills	5.83*	6.00

US BONDS

Treasury

		July 30* Price	July 30* Yield	Prev Price	Prev Yield
7⅛	1988	99 29/32	6.676	99 23/32	6.727
7¼	1993	99 27/32	7.276	99 15/32	7.34
7⅜	1996	99 27/32	7.395	99 15/32	7.436
7¼	2016	96 31/32	7.505	96 23/32	7.529

Source: Harris Trust Savings Bank

Treasury Index

Maturity (years)	Return index	Day's change (July 30*)	Yield	Day's change
1–30	153.00	+0.84	7.38	−0.10
1–10	146.30	+0.53	7.12	−0.10
1– 3	137.63	+0.25	6.78	−0.09
3– 5	148.51	+0.60	7.29	−0.11
15–30	177.11	+1.94	8.25	−0.11

Source: Merrill Lynch

Corporate	July 30* Price	July 30* Yield	Prev Price	Prev Yield
AT & T 3⅞ July 1990	91⅝	6.33	91⅝	6.33
SCBT South Central 10⅜ Jan 1993	106.39	8.50	106⅜	9.60
Phibro-Sal 8 April 1996	96.72	8.50	96.40	8.55
TRW 8¾ March 1996	101.28	8.55	100.95	8.60
Arco 9⅞ March 2016	102¾	9.66	102½	9.69
General Motors 8⅛ April 2016	91⅞	8.98	91⅜	9.02
Citicorp 9⅜ March 2016	96⅝	9.79	96¼	9.76

Source: Salomon Brothers

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
US Treasury Bonds (CBT) 8% 32nds of 100%				
Sept	96–23	96–30	95–30	96–15
US Treasury Bills (IMM) $1m points of 100%				
Sept	94.32	94.33	94.28	94.29
Certificates of Deposit (IMM) $1m points of 100%				
Sept	n/a	n/a	n/a	93.78
LONDON				
Three-month Eurodollar $1m points of 100%				
Sept	93.46	93.46	93.42	93.38
20-year Notional Gilt £50,000 32nds of 100%				
Sept	120–26	121–04	120–23	120–11

* *Latest available figures*

EUROPE
Frankfurt dominated by bank results

BUYING INTEREST emerged in Europe yesterday as investors looked for bargains in the wake of Tuesday's downturn. Most bourses closed the session showing marginal gains or, at worst, little changed from the day before.

Frankfurt managed a rally although prices fell back towards the close as buying died down. The Commerzbank index, calculated at midsession, gained 32.7 to 1,842.00.

The market was encouraged by a number of factors after Tuesday's lacklustre performance. Promising news from the banks continued to dominate with Commerzbank reporting record profits. However, it closed DM 2.20 lower at DM 299.8 despite rising earlier in the session.

Elsewhere in the sector Deutsche, still to report its results, gained DM 11 to DM 793 and Dresdner continued to climb adding DM 5.5 to DM 411.5.

Retailers were also stronger on hopes of good summer sales. Karstadt added DM 8 to DM 381, Kaufhof DM 9 to DM 465 and Horten DM 9 to DM 205.

Other sectors were largely mixed, discouraged in some areas by the weaker dollar and an absence of foreign investors.

Among chemicals Hoechst showed one of the few gains rising 50 pfg to DM 245. BASF lost 40 pfg to DM 243.50 and Bayer 50 pfg to DM 266.

Motor manufacturers were generally lower. VW slipped DM 1 to DM 453, Daimler DM 6 to DM 1,125 and BMW DM 2 to DM 484, ex-rights.

Elsewhere, insurer Allianz added DM 50 to DM 2,205, steel group Thyssen was DM 2 higher at DM 150.80, while among engineerings KHD fell DM 1 to DM 205 although Mannesmann rose DM 4 to DM 175.

In the bond market prices closed up to 30 basis points higher although there were some losses of as much as 10 basis points.

The Bundesbank sold DM 62.9m of paper yesterday after buying DM 12.80m the previous day.

Zurich closed mixed but with a firmer bias helped by some demand for banking and insurance stocks.

Swissair bearer, which fell on Tuesday, scored a SFr 60 recovery to SFr 1,400 following hopes for a second-half improvement despite disappointing half-year results.

Among financial groups Baer Holdings rose SFr 100 to SFr 18,400 and UBS added SFr 60 to SFr 5,460. Swiss Bank rose SFr 2 to SFr 503.

Insurance stocks were generally improved with Swiss Re adding SFr 600 to SFr 15,400.

Elsewhere Ciba-Geigy fell SFr 20 to SFr 2,950 and Sandoz SFr 400 to SFr 9,900. Food stock Nestlè fell SFr 25 to SFr 7,450.

Brussels was unable to find fresh factors and most prices closed little changed from the previous session. Some concern about the Government's plans for debt refinancing also helped dull the market.

Trading was suspended in cement-maker CBR following news that it had paid C$452m for the cement unit of Canada's Genstar. CBR closed on Tuesday at BFr 3,700.

Elsewhere, holding companies were mixed. Société Générale de Belgique added BFr 20 to BFr 2,870, while Group Bruxelles Lambert fell BFr 20 to BFr 3,000.

Amsterdam was boosted by selective foreign buying, the steadier dollar and the Government's announced intention to stick to its austerity package. Most sectors closed firmer.

Internationals generally scored gains. Unilever rose Fl 5.50 to Fl 483.50, Hoogovens added Fl 2 to Fl 105, Akzo rose Fl 1.30 to Fl 158 and Philips 20 cents to Fl 47.30. However, Fokker slipped Fl 1.30 to Fl 84.50.

Most financials were better on balance with banks ABN Fl 3.50 up at Fl 601 and NMB Fl 1 up at Fl 208.50. Insurance groups Natned added 30 cents to Fl 80 and Amev 20 cents to Fl 74.70.

Paris got off to a weak start but some bargain-hunting and a cut in the call money rate during the session helped the market to close firmer.

Active trading in construction group Screg left it 8.6 per cent higher at FFr 34.

Shares likely to benefit from summer demand continued to show rises. Moët-Hennessy, the champagne to rosebush group, added FFr 60 to FFr 2,310, Pernod-Ricard rose FFr 22 to FFr 1,022 but mineral water group Perrier lost FFr 11 to FFr 814.

Milan suffered from profit-taking by institutional investors with most prices closing the day lower.

Madrid closed higher in quiet trading, while **Stockholm** was dominated by worries over the future of telecommunications giant Ericsson. Its B shares, open to foreign buyers, lost SKr 2 to SKr 210.

Copenhagen lower, Page 15

TOKYO
Higher trend as bargains are hunted

BARGAIN HUNTERS were quick to respond to the buying opportunities in Tokyo yesterday following Tuesday's plunge, *writes Shigeo Nishiwaki of Jiji Press.*

Large-capital and consumer stocks surged, but bluechip electricals and biotechnology issues remained out of favour.

The Nikkei average improved 70.11 to 17,799.05 after its fourth steepest ever decline on Tuesday. Gains led losses by 493 to 369 with 116 issues unchanged. Turnover remained high at 1,519.72m shares, up from 1,320.77m.

Apart from utilities and some consumer stocks, equities opened easier in a continuation of the previous day's weakness. But they performed better than expected late in the morning and prompted active buying in the afternoon.

The demand for large-capital stocks is underscored by the capitalisation stock price indexes. The large-capital first-section index gained 20.81 to 1,469.15, while the medium-capital average rose only 2.14 to 967.31, and the small-capital index shed 1.25 to 2,266.11.

The list of 10 most active stocks was dominated by large-capital stocks with total volume of the 10 accounting for 57.8 per cent of total turnover.

Ishikawajima-Harima Heavy Industries topped the active list with 164.49m shares traded. It advanced Y30 to Y405. Nippon Kokan, second busiest with 152.50m shares, put on Y10 to Y249, Nippon Steel, with 150.71m shares traded, Y7 to Y206 and Kawasaki Steel, with 127.27m shares traded, Y13 to Y220.

Tokyo Gas was fifth busiest, with 79.92m shares changing hands. It soared Y57 to another all-time high of Y817 following renewed investor interest in windfall profits from the higher yen and lower crude oil prices.

Power companies strengthened, with Tokyo Electric Power climbing Y320 to Y5,900 and Kansai Electric Power Y200 to Y3,940.

Bonds rallied in response to an overnight surge in US Treasury bonds after Federal Reserve Bond chairman Mr Paul Volcker told Congress there was room for further falls in long-term interest rates.

The yield on the bellwether 6.2 per cent government bond due in July 1995 fell from 4.745 to 4.695 per cent slipping below the psychological barrier of 4.7 per cent. The decline was triggered by large-lot repurchases by some big securities companies.

But in view of the large sell orders placed at less than 4.7 per cent, the dominant market view was that the issue would probably not recover immediately.

HONG KONG

SELLING took hold in Hong Kong yesterday after Tuesday's higher move. Profit-taking by foreign and domestic investors sent prices lower across the board.

The Hang Seng index, which came close to its peak in the previous session, faded 12.07 points to 1,847.94.

Utility issues were again active, with speculative buying pushing Hongkong Electric 15 cents higher to HK$9.25. A local newspaper reported that the company planned a cable-television system.

LONDON
Confidence boosted by £ and oil

CONFIDENCE continued to rise in London yesterday on the back of improving sterling and oil prices.

Equities were cautious before a resurgence of institutional support. Among advancing oil shares British Petroleum jumped 9p to 575p, Britoil added 6p to 111p and Ultramar firmed 3p to 158p.

The FT Ordinary share index rose 8.7 to 1,280.3 while its sister index the FT-SE 100 added 9.9 to 1,566.3.

Whitbread, the brewing to leisure activities group, said it will buy Wendy's chain of 16 hamburger restaurants in London for £6.8m. The group, which also said it will open another 35 Pizza Hut restaurants this year, edged 2p lower to 268p.

Gilts were firmer as domestic and foreign buying spurred gains ranging to ⅜ among longer maturities and ½ among index-linked stocks.

Chief price changes, Page 33; Details, Page 32; Share information service, Pages 30–31

AUSTRALIA

INDUSTRIALS and gold stocks were actively sought in a higher Sydney market.

The All Ordinaries index inched 3.6 ahead to 1,108.6 as rises narrowly outpaced falls 256 to 238.

A steadier dollar aided industrial issues. BHP, Australia's largest company, gained 10 cents to A$8.08 and Elders IXL added 7 cents to A$4.55.

Market news included the announcement by Wespac Bank that it has been cleared for a US stock exchange listing. The bank ended steady at A$4.45.

CANADA

EARLY LOSSES were stretched in Toronto where most share groups traded lower.

Hiram Walker, active on the day, was steady at C$37¾, while Interprovincial Pipe Line, which is buying Hiram's Home Oil subsidiary, shed C$2 to C$38¾.

Hiram's parent, Gulf Canada, dipped C$⅝ to C$12¾.

Montreal was also lower.

SOUTH AFRICA

PROFIT-TAKING stripped golds of good gains earlier in the session in Johannesburg leaving the sector mixed.

The market was affected by the sharp fall in the value of the financial rand against the dollar and the steady bullion price. Among golds Buffelsfontein closed 50 cents up at R77.25, while Driefontein was steady at R55.50.

SINGAPORE

BLUE CHIPS and trustee stocks were popular early in Singapore trading, but late profit-taking pared some gains.

Nervousness ahead of the Malaysian elections also proved a dampener again.

In the banking sector, Malayan Banking shed 10 cents to S$3.62, while DBS gained 20 cents to S$7.10, OCBC added 10 cents to S$7.20 and UOB rose 6 cents to S$3.96.

Among industrials, Fraser and Neave ended 10 cents higher at S$7.50, Genting put on 6 cents to S$4.32 and Sembawang Shipyards rose 6 cents to S$1.87